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28 October 2022

The Manager
ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
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FOR LODGEMENT ONLINE

Dear Sir/Madam

Statement by Potential Capital regarding offer for Nitro Software Limited (ACN 079 215 419) (ASX:NTO)

We act for Potentia Capital Management Pty Ltd (ACN 630 264 210) (**Potentia**).

On behalf of Potentia we attach for immediate release on ASX a statement by Potentia regarding its intention to make an off-market takeover bid through Technology Growth Capital LLC for Nitro Software Limited (ACN 079 215 419) (ASX: NTO) (**Nitro**).

Yours faithfully,



Johnson Winter Slattery

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28 October 2022

STATEMENT BY POTENTIA CAPITAL REGARDING OFFER FOR NITRO

Potentia Capital Management Pty Ltd (“**Potentia**”) today announced an intention to make an off-market takeover bid through Technology Growth Capital LLC (“**Offer**”) for Nitro Software Ltd (“**Nitro**”) at a price of \$1.80 per Nitro Share (“**Offer Price**”).

The Offer Price is final except where a competing proposal emerges or Potentia is provided with access to full customary legal and financial due diligence analysis of the business and assets of Nitro.

The Offer is subject to only two conditions:

- that during the offer period, a majority of the members of the Board of Nitro recommend that Nitro shareholders accept the Offer in the absence of a superior proposal; and
- that during the bid period, there are no prescribed occurrences.

Noting that Potentia controls 19.8% of Nitro, and in accordance with truth in takeovers, if a competing scheme proposal emerges for Nitro then Potentia will vote all the Nitro Shares that it owns or controls, at the relevant time, against the scheme proposal, and it will not accept any of those Nitro Shares into any competing takeover bid that is made.

As part of the Offer, Potentia has again expressed its support for Nitro’s management, led by Founder and CEO Sam Chandler, as well as its intention to help grow Nitro organically and through M&A, particularly given Potentia’s experience and track record of helping software businesses scale globally.

The Offer delivers Nitro Shareholders a material and attractive premium relative to the last closing price of Nitro Shares on ASX on 29 August 2022, being the day prior to press speculation regarding Potentia’s Non-binding Proposal for Nitro (“**Undisturbed Share Price**”), as well as certainty of value in the form of cash consideration and an additional source of liquidity, without the need to incur brokerage costs.

Michael McNamara, Potentia Partner, said; “As Nitro’s largest shareholder, Potentia wants to work constructively with the Nitro Board to conclude a value-creating deal for our fellow shareholders.

“We have already had friendly and constructive dialogue with the Nitro Board, and this offer is being made to provide them with certainty so that they can engage with us fully and provide access to diligence.”

Andrew Gray, Potentia Managing Director, also said; “Along with our 19.8% stake, this bid is a demonstration of our commitment to Nitro, its team, and to the strategy they are pursuing under the strong leadership of Sam Chandler and stewardship of the Board. We are specialist investors in the technology and software sector, and we have been on the same journey of building great companies which Sam and his team are currently treading. We believe we have real value to add as partners in their growth.

“We support the current strategy for the business and the significant investment made in Nitro’s growth. We intend to support the current investment strategy and future capital needs of the

business, which we believe is fundamental to its success going forward.”

Potentia will lodge its Bidder’s Statement for the Offer with ASIC and the Nitro Board today. The Offer will be open for acceptance by Nitro Shareholders in approximately two weeks.

Offer to Shareholders

The Offer Price is \$1.80 per Nitro share.

The Offer Price represents a premium of:

- 59.3% premium to the Undisturbed Share Price of \$1.13¹
- 50.4% premium to 1-month VWAP for Nitro Shares ending on 29 August 2022 of \$1.20.²

The key attractions of the Offer are summarised below:

- the Offer provides Nitro Shareholders with a premium to Nitro’s Undisturbed Share Price in an environment where listed peers in the electronic document and e-signing sector globally remain challenged;
- as a 100% cash offer and with very low conditionality, the Offer provides Nitro Shareholders with an opportunity to sell their Nitro Shares at a premium with no brokerage fees; and
- the Offer provides liquidity to Nitro Shareholders that did not sell their Nitro Shares during the period between 23 May 2022 to 1 September 2022, when Potentia was acquiring its current stake in Nitro.

Potentia is advised by Jarden and Johnson Winter Slattery.

RELEASE ENDS

Media enquiries: Ross Thornton, Domestique Consulting 0418 233 062.

¹ Represents Nitro’s Share Price at market close on 29 August 2022.

² Market VWAP of \$1.13 calculated from 30 July 2022 to 29 August 2022.