



18 November 2022

REVISED POTENTIA PROPOSAL

Nitro Software Limited (ASX:NTO) ('Nitro' or the 'Company') received a confidential, conditional and non-binding proposal from Potentia Capital (**Potentia**) on 17 November 2022 AEDT, a copy of which is attached to this ASX Announcement (**Revised Potentia Proposal**).

The Revised Potentia Proposal states that Potentia would like to engage with Nitro in relation to a potential increase in the cash offer price in Potentia's off-market takeover bid for Nitro, and that Potentia believes access to Nitro due diligence information may enable it to meet or exceed the Alludo cash offer price of A\$2.00 per share. Potentia also states it is willing to vary its offer by offering scrip to Nitro shareholders.

Following receipt of advice from its external financial and legal advisers, it was concluded that the Revised Potentia Proposal is not, and could not reasonably be considered to become, a Superior Proposal to the Alludo Transaction, as defined in the Implementation Deed in respect of the Alludo Transaction. The Revised Potentia Proposal does not offer Nitro Shareholders any specific improved value for their shares, nor any detail as to the nature or terms of a potential scrip offer. Nitro also notes that the Revised Potentia Proposal would remain subject to the uncertainties of due diligence to the satisfaction of Potentia.

For the record, in October 2022, Nitro offered Potentia access to due diligence alongside other interested third parties like Alludo. However, Potentia declined to sign up to a non-disclosure agreement, which contained customary terms that were agreed to by other interested third parties.

The current Potentia Takeover Offer (**Potentia Offer**) of A\$1.80 cash per share is not affected by the Revised Potentia Proposal and remains open for acceptance by Nitro Shareholders. The Nitro Board continues to recommend that Nitro shareholders **REJECT** and **TAKE NO ACTION** in relation to the Potentia Offer.

Nitro shareholders should take no action at this time. The Company will continue to keep its shareholders and the market informed of developments in accordance with its continuous disclosure requirements.

Ends

Authorised for release to the ASX by the Chairman.

ENQUIRIES

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ABOUT NITRO

Nitro is a global SaaS leader in PDF software, document management and electronic signatures. Nitro's Productivity Platform includes powerful PDF tools, digital workflows, highly secure eSigning and identity verification capabilities. Its industry-leading business intelligence and analytics product measures ROI and quantifies sustainability efforts, all supported by a best-in-class customer success and change management support team. With more than 3 million licensed users and 13,000+ business customers across 157 countries, Nitro serves 68% of the Fortune 500.

For more information on Nitro, please visit:

- Nitro: <https://www.gonitro.com>
- Connective: <https://connective.eu>
- PDFpen: <https://pdfpen.com/pdfpenpro/>
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Mr Kurt Johnson
Chairman
Nitro Software Limited
150 Spear St., Suite 1850
San Francisco, CA 94105, USA

Dear Kurt,

I note the announcement yesterday that Nitro has entered into an Implementation Deed with Alludo concerning a concurrent scheme of arrangement and takeover bid for Nitro at \$2.00 per share.

In light of this development, Potentia would like to engage with Nitro in relation to a potential increase in the cash offer price in Potentia's off-market takeover bid for Nitro (**Offer**). Potentia believes that access to Nitro due diligence information may enable Potentia to meet or exceed the Alludo cash offer price of \$2.00 per share.

Potentia is also prepared to vary its Offer by offering scrip to Nitro shareholders.

The scrip would facilitate Nitro shareholder rollover into an Australian public company that will be part of Potentia's bidding group. As specialist investors in the Australian software and technology sectors, Potentia believes that Nitro can deliver its full potential as a standalone enterprise software leader, and would welcome the participation of current Nitro shareholders on that journey.

Even before the changes to Potentia's Offer outlined above are implemented, the current Offer provides a number of key benefits to Nitro shareholders when compared with the Alludo proposal. These benefits include that the Offer is already open for acceptance, has very few conditions and may deliver consideration to Nitro shareholders this calendar year.

In our view these benefits together with the proposed increase in the cash consideration in our Offer (subject to satisfactory due diligence) and the proposed addition of scrip, mean that our Offer is, or could reasonably be considered to become, a Superior Proposal for the purposes of clause 13.5 of the Implementation Deed. It follows that Nitro may, in compliance with the Implementation Deed and the fiduciary duties of the Nitro directors, decide to now grant due diligence access to Potentia.

Given that the Implementation Deed has been entered into and our Offer is already open for acceptance, we consider it would not be customary for a standstill to be required by Nitro at this time.

I look forward to further discussing the confidential non-binding indicative proposal contained in this letter with you.

Yours sincerely,

A handwritten signature in black ink, appearing to be "A. Gray", written over a light gray circular stamp.

Andrew Gray
Managing Director
Potentia Capital