



12 December 2022

NITRO'S FIRST SUPPLEMENTARY TARGET'S STATEMENT

Nitro Software Limited (ASX:NTO) (Nitro or the Company) refers to Potentia Capital Management's (**Potentia**) Second Supplementary Bidder's Statement dated 8 December 2022, which highlights that its takeover offer consideration has been increased by A\$0.20 (11.1%) to A\$2.00 cash per Nitro share, with a potential scrip alternative (**Revised Potentia Takeover Offer**).

Today, the Company also announced on ASX that Nitro and Cascade Parent Limited, trading as Alludo (**Alludo**), have agreed to amend the Implementation Deed dated 15 November 2022, increasing the price by A\$0.15 (7.5%) to A\$2.15 cash per Nitro share (**Revised Alludo Transaction**).

The Nitro Board has determined that the Revised Alludo Transaction is superior to the Revised Potentia Takeover Offer and, therefore, **unanimously recommends that you REJECT the Revised Potentia Takeover Offer**. To do this, simply **DO NOTHING** in respect of the Revised Potentia Takeover Offer.

Nitro's first supplementary target's statement is attached to this announcement in accordance with section 647(3)(b) of the *Corporations Act (2001)* (Cth) (**First Supplementary Target's Statement**). A copy of the First Supplementary Target's Statement will be served on Potentia and lodged with the Australian Securities and Investments Commission today.

Ends

Authorised for release to the ASX by the Nitro Board.

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ABOUT NITRO

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First Supplementary Target's Statement

1 First Supplementary Target's Statement

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Nitro Software Limited (ACN 079 215 419) (**Nitro**) in relation to the off-market takeover bid made by Potentia Capital Management Pty Ltd (**Potentia Capital**) – via Technology Growth Capital LLC – for all the Nitro Shares in which Potentia Capital (and its Associates) do not hold a Relevant Interest.

This First Supplementary Target's Statement has been prepared in response to the second supplementary bidder's statement lodged by Potentia Capital on 8 December 2022, in which Potentia Capital has set out the details of its revised offer to acquire all or some of Nitro's share capital at A\$2.00 cash per Nitro Share. This document supplements, and should be read together with, Nitro's target's statement dated 23 November 2022 (**Target's Statement**).

2 Implication of accepting the Potentia Takeover Offer

As noted in the Target's Statement, if you accept the Potentia Takeover Offer, you will only have a right to withdraw your acceptance in some limited circumstances.

As such, unless the specific withdrawal rights are available to you, if you accept the Potentia Takeover Offer you will give up your right to sell or otherwise deal with your Nitro Shares, including in respect of the increased consideration of A\$2.15 per Nitro Share under the Alludo Transaction (as described below) or any another Superior Proposal that may emerge.

3 Update on Alludo Transaction

On 12 December 2022, Alludo and Nitro entered into an Amending Deed (in respect of the Implementation Deed), whereby Alludo has agreed to increase the consideration under the Alludo Transaction by A\$0.15 (7.5%) to A\$2.15 cash per Nitro Share. The Alludo Transaction consideration also represents a premium of A\$0.15 (7.5%) cash per Nitro Share compared to the Potentia Takeover Offer.

Important information about the Alludo Transaction will be contained in the Alludo Transaction Booklet, which Nitro expects to send to Nitro Shareholders on or around 21 December 2022.

4 Nitro Board's Recommendation

The Nitro Board has determined that the Alludo Transaction is superior to the Potentia Takeover Offer and therefore **unanimously recommends that you REJECT the Potentia Takeover Offer**. To do this, simply DO NOTHING in respect of the Potentia Takeover Offer.

The Nitro Directors will not be accepting the Potentia Takeover Offer in respect of any Nitro Shares which are held or controlled by or on behalf of them, consistent with their recommendation to Nitro Shareholders.

The Nitro Board continues to unanimously recommend that you both vote in favour of the Alludo Scheme and accept the Alludo Takeover, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Alludo Scheme is in the best interests of Nitro Shareholders and the Alludo Takeover is fair and reasonable.

5 Nitro's capital structure

As at 9 December 2022, Nitro's capital structure is set out in the table below.

Type of security	Number of securities
Target Shares	
Nitro Shares (Quoted on ASX)	245,283,492
Unquoted Treasury Shares	6,283,923
(A) Total Shares	251,567,415
ESS Securities	
Nitro Options (gross)	9,057,083
Nitro NED Share Rights	172,475
Nitro Restricted Share Awards	7,658,827
Nitro Performance Rights	1,521,486
Nitro Performance Shares	682,606
(B) Total ESS Securities	19,092,477
Treasury Shares	
Quoted Treasury Shares	(3,185,461)
Unquoted Treasury Shares	(6,283,923)
(C) Total Treasury Shares	(9,469,384)
Fully Diluted Nitro Shares Outstanding: (A) + (B) + (C)	261,190,508

Note: Nitro Options shown on a total outstanding basis. Nitro Options have various exercise prices and may be exercised on a cash or cashless basis which will impact the number of Nitro Shares issued and the fully diluted number of Nitro Shares outstanding.

6 General

Unless otherwise specified, capitalised terms used but not defined in this First Supplementary Target's Statement have the same meaning given to them in the Target's Statement.

This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement is being lodged with ASIC today. Neither ASIC nor any of its officers take any responsibility for its contents. A copy of this First Supplementary Target's Statement has also been provided to the ASX. Neither the ASX nor any of its officers takes any responsibility for the contents of this document.

Please consult your legal, financial, or other professional adviser if you do not fully understand the contents of this First Supplementary Target's Statement.

7 Authorisation

This First Supplementary Target's Statement has been approved by a resolution passed by the Directors of Nitro Software Limited (ACN 079 215 419).



Kurt Johnson

Chairman

on behalf of the Board of Nitro Software Limited (ACN 079 215 419)

Dated 12 December 2022.