



NOT FOR DISTRIBUTION IN THE UNITED STATES

PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited for release to the market in connection with the official quotation and deferred settlement trading of fully paid ordinary shares (**Shares**) in Nitro Software Limited (ACN 079 215 419) (the **Company**).

Capitalised terms which have not been otherwise defined in this document have the meaning given to them in the prospectus lodged by Nitro with the Australian Securities and Investments Commission on 21 November 2019 (**Prospectus**).

1 Confirmations in relation to the Offer

The Company confirms that the Broker Firm Offer and the Priority Offer closed on 6 December 2019.

Successful Applicants under the Broker Firm Offer and the Priority Offer paid the Offer Price of \$1.72 per Share.

The Company confirms completion of the issue of 38,249,694 Shares at an issue price of \$1.72 per Share and the sale and transfer of 25,843,976 Shares (each fully paid by SaleCo) at a sale price of \$1.72 per Share.

The Company confirms that it has received cleared funds for the complete amount of the Offer Price of every fully paid security issued to every Successful Applicant for fully paid securities under the Prospectus.

2 Basis of allocation and procedures determining allocations

The basis for allocation of Shares under the Offer and the procedures by which Applicants can determine their precise allocations is set out below:

- (a) **Institutional Offer:** Allocations to Institutional Investors were determined by agreement between the Company and the Lead Manager. The Lead Manager and the Company have had absolute discretion regarding the basis of allocation of Shares among Institutional Investors. Successful Applicants under the Institutional Offer have been advised of their allocations.
- (b) **Broker Firm Offer:** Allocations to Brokers under the Broker Firm Offer were determined by agreement between the Company and the Lead Manager. Shares that were allocated to Brokers for allocation to their retail clients were issued or transferred to Applicants nominated by those Brokers. It was a matter for the Brokers as to how they allocated Shares amongst their retail clients. Applicants under the Broker Firm Offer can confirm their allocation of Shares by telephoning their Broker.
- (c) **Priority Offer:** The allocation of Securities under the Priority offer was made at the absolute discretion of the Company. Applicants under the Priority Offer received a personalised invitation to apply for Shares. Applications under the Priority Offer were for a minimum of \$2,000 worth of Shares. Applicants under the Priority Offer have been advised of their allocations.

Applicants can also telephone the Nitro Offer Information Line on 1300 352 259 (within Australia) and +61 3 9415 4300 (outside Australia) from 8:30am until 5:30pm (Melbourne, Australia time), Monday to Friday (excluding public holidays).

3 The Final Price and number of Shares issued and transferred under the Offer

- (a) The Final Price for each Share under Broker Firm Offer, the Priority Offer and the Institutional Offer is \$1.72.
- (b) The number of Shares allocated under each part of the Broker Firm Offer, the Priority Offer and the Institutional Offer is:

Broker Firm Offer	22,645,985
Priority Offer	1,389,536
Institutional Offer	40,058,149
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Total Shares issued or transferred under the Offer	64,093,670
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At Completion of the Offer, there will be a total of 188,928,996 Shares on issue.

The Company confirms that at the time of Completion of the Offer, it will have a free float of at least 20%.

4 Intended despatch date

- (a) The intended date for the despatch of:
- (i) in relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
 - (ii) in relation to all other holdings, issuer sponsored holding statements; and
 - (iii) any refund money,
- is Thursday, 12 December 2019.

5 Statement in relation to Convertible Notes and Preference Shares

The Company confirms that 5,304,699 Shares have been issued on conversion of USD\$5 million worth of Convertible Notes.

6 Statement in relation to issue of Options

The Company confirms that 968,814 Options have been issued to Sam Chandler (Executive Director and CEO) and 161,469 Options have been granted to Richard Wenzel (Non-Executive Director and Senior Vice President, Tax and Treasury).

7 Updated statement of commitments

Please refer to **Attachment 1** for details of The Company's updated statement of commitments for the purposes of satisfying Listing Rule 1.3.2(b).¹

8 Voluntary escrow

Please refer to **Attachment 2** for details the number of Shares subject to voluntary escrow and other non-disposal restrictions and the restriction period applied to those Shares.

9 Other securities not quoted

Please refer to **Attachment 3** for details of other securities not quoted.

10 Terms of waiver

The Company applied for admission to the official list of ASX as an early adopter of the new escrow regime, that is, prior to the change to the ASX listing rules coming into effect on 1 December 2019.

ASX granted the Company a waiver from listing rule 15.12 (as drafted at the time of application of admission) to permit the Company's constitution to not include all provisions required under it, on the condition that the constitution would adopt all the provisions required under the new listing rule 15.12.

The Company confirms that it's constitution adopts all the provisions required under the new listing rule 15.12.

11 Institutional Bookbuild

The Company confirms that in relation to the funds raised pursuant to the institutional bookbuild under the Institutional Offer (**Institutional Bookbuild**):

- (a) The number of Shares allocated under the Institutional Bookbuild is 40,058,149 at a price of \$1.72 per Share;
- (b) No promoters or related parties will be taking up a material number of Securities;
- (c) No concessionary fee or other arrangements have been entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Institutional Bookbuild price announced by the Company;
- (d) No arrangements have been entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Institutional Bookbuild at the Institutional Bookbuild price announced by the Company and which is not received by other allottees; and
- (e) No arrangements have been entered into with associates of the Company or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Institutional Bookbuild.

¹ This statement has been prepared using an assumed exchange rate of A\$1.06:US\$0.684 for consistency with the Prospectus.

12 Orderly Market

Paragraph 2 of this Pre-Quotation Disclosure document sets out the ways in which investors under each of the Institutional Offer, Priority Offer and Broker Firm Offer are able to receive information about their allocations.

The Company has arranged for security information centre toll free lines to meet the reasonably anticipated demand for information about entitlements and to handle applicant queries.

The Nitro Offer Information Line is contactable on 1300 383 865 (within Australia) or +61 3 9415 4186 (outside Australia) from 8:30am to 5:30pm (Melbourne time) Monday to Friday (excluding public holidays).

13 Further Information

In addition to the documents already described in this announcement, the following documents will be released on the ASX Market Announcements Platform at the same time as this pre-quotation disclosure:

- (a) **ASX listing application:** The Company's Appendix 1A, ASX Listing Application and Agreement and Information Form and Checklist;
- (b) **Prospectus:** The Prospectus lodged with ASIC by the Company and SaleCo on 21 November 2019;
- (c) **Constitution:** The Company's constitution;
- (d) **Audited accounts:** The Company's audited accounts for the full years ended 31 December 2017 and 2018 and its reviewed accounts for the half year ended 30 June 2019;
- (e) **Incentive plans:** The full terms and conditions of the LTIP and the historical ESOPs;
- (f) **Corporate Governance Statement:** The Company's Corporate Governance Statement;
- (g) **Securities trading policy:** The Company's Securities trading policy;
- (h) **Distribution schedule:** a distribution schedule;
- (i) **Top 20 Shareholders:** a statement of the top 20 Shareholders in the Company.

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This notice does not constitute an offer of securities in the United States or to any person to whom it would not be lawful outside Australia. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This notice must not be distributed or released in the United States, or in any jurisdiction outside of Australia where distribution may be restricted by law.

Attachment 1 – Updated statement of commitments

Set out below is the Company's updated statement of commitments for the purposes of satisfying Listing Rule 1.3.2(b).²

Funds Available	Amount
Existing cash reserves ³	\$2.3m
Funds raised under the Offer (excluding fund to be paid to Selling Shareholders)	\$45.0m
Estimated total cash and cash equivalents available as at 11 December 2019 (immediately following Completion of the Offer) (Available Cash)	\$53.0m

Intended use of cash	Amount	% of Available Cash
Transaction costs (including fees payable to advisers as well as other costs such as registry fees, ASX listing fees and other adviser fees).	(\$6.9m)	13%
Debt repayment	(\$3.2m)	6%
Product Roadmap		
<ul style="list-style-type: none"> Expand Nitro's product capabilities related to our e-signature application, including integrations into leading business applications; increase R&D headcount by approximately 10 FTE's 	(\$5.0m)	9%
<ul style="list-style-type: none"> Expanding Nitro's product capabilities related to analytics including attribute analysis, data mining, data tracking and redaction, and business intelligence; increase R&D headcount approximately 10 FTE's 	(\$5.0m)	9%
Sales and Marketing		
<ul style="list-style-type: none"> Expand Nitro's marketing for demand generation, brand awareness, SEO/SEM, vertical marketing; expansion of the sales and marketing organisation by approximately 10 FTE's 	(\$6.0m)	11%

² This statement has been prepared using an assumed exchange rate of A\$1.06:US\$0.685 for consistency with the Prospectus.

³ Estimated cash reserves as at 30 June 2019 as disclosed in Section 4.5 Figure 29 of the Prospectus.



Intended use of cash	Amount	% of Available Cash
Working capital and other general expenses associated with operating the company	(\$3.0m)	6%
Inorganic growth opportunities related to the expansion of the product roadmap ⁴	(\$10.0m)	19%
Total commitments (excluding working capital)	\$39.1	74.0 of Available Cash

The above table reflects the current intentions of the Company as at the date of admission of the Company to ASX. The amounts reflected in the table are estimates only and are subject to change at any time due to intervening events or new circumstances that in the ordinary course of the Company's business, or in assessing available opportunities that become open to it, have the potential to affect the manner in which the Available Cash is ultimately applied. For example, the amounts listed in relation to the Company's proposed expenditure on inorganic growth opportunities related to the expansion of the product roadmap are estimates only and are dependent on various factors, including the availability of potential partnership or acquisition opportunities and the value of such corporate transactions, which cannot be reliably predicted in advance and are subject to uncertainty. The Company reserves the right to alter the way funds are applied on that basis. The Company will report on changes to the above intentions where required by the Listing Rules.

⁴ Inorganic growth opportunities relate to acquisitions of third-party technology. To date the company has not entered into any definitive agreements with third-party companies for the purchase of their technology but expects to do so during the next 12-24 months.

Attachment 2 – Escrowed Securities

The following is a breakdown of the number of Shares subject to voluntary escrow and the escrow period applied to those Shares. For details of the material terms of the voluntary escrow arrangements, including any exceptions to the restrictions on disposal, please refer to Section 9.10 of the Prospectus.

Parties whose Shares are subject to voluntary escrow	Number of Shares subject to voluntary escrow	Number of Options subject to voluntary escrow	Escrow period
Richard Crocker	4,438,666	-	Until the date that is six months after Completion
Regal Funds Management Pty Ltd (ACN 107 576 821) ATF Regal Emerging Companies Fund	4,198,014	-	Until the date that is six months after Completion
Chris Dahl	3,354,252	-	Until the date that is six months after Completion
Dempsey Capital Pty Ltd (ACN 632 685 468) ATF Alum Alpha Fund	2,030,000	-	Until the date that is six months after Completion
Craig Chandler ATF Jensen-Scot Superannuation Fund	1,992,375	-	Until the date that is six months after Completion
Peter Griffin	1,501,811	-	Until the date that is six months after Completion
M&S Skyleisure Pty Ltd (ACN 614 009 077) ATF M&S Skyleisure No.1 Trust	1,285,695	-	Until the date that is six months after Completion
M&S Skyleisure Pty Ltd (ACN 614 009 077) ATF M&S Skyleisure No.2 Trust	1,285,695	-	Until the date that is six months after Completion
Balandry Nominees Pty Ltd (ACN 067 163 624) ATF Peter J Griffin Superannuation fund)	244,995	-	Until the date that is six months after Completion
Starfish Technology Fund II, LP (ABN 95 957 065 715)	26,076,463	-	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Battery	24,872,515	-	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Vistra Trust (Singapore) Pte Ltd ATF IS&P Singapore	5,008,140	-	Until the date on which the Company's full-year results



Parties whose Shares are subject to voluntary escrow	Number of Shares subject to voluntary escrow	Number of Options subject to voluntary escrow	Escrow period
Retirement Fund – Sam Chandler			for the period ending 31 December 2020 are released to the ASX
Vistra Trust (Singapore) Pte Ltd ATF IS&P Singapore Retirement Fund – Richard Wenzel	8,265,674	-	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Venturian Pty Ltd (ACN 109 613 274) ATF Maverick Innovation Trust	3,872,723	-	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Sam Chandler	3,830,400	5,715,135	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Venturian Pty Ltd (ACN 109 613 274) ATF The J&M Barlow Pension Fund	689,805	-	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Gina O'Reilly	455,580	2,752,659	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Richard Wenzel	1,384,514	161,469	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Aliqua Pty Ltd (ACN 102 751 351) ATF SJ Chandler Discretionary Trust	353,340	-	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Kathleen Miller	-	2,077,520	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX
Kurt Johnson	-	740,520	Until the date on which the Company's full-year results for the period ending 31



Parties whose Shares are subject to voluntary escrow	Number of Shares subject to voluntary escrow	Number of Options subject to voluntary escrow	Escrow period
			December 2020 are released to the ASX
David O'Donoghue	-	583,668	Until the date on which the Company's full-year results for the period ending 31 December 2020 are released to the ASX

Attachment 3 – Other securities not quoted

Number and type of security	Exercise Price	Expiry Date
4,905,900 Options	AUD \$0.204	25 November 2021
1,481,040 Options	AUD \$0.204	25 November 2021
54,000 Options	AUD \$0.408	30 August 2022
139,500 Options	AUD \$0.246	30 November 2023
863,190 Options	AUD \$0.413	4 May 2024
126,000 Options	USD \$0.298	27 February 2025
198,000 Options	USD \$0.308	9 August 2025
184,500 Options	USD \$0.308	28 November 2025
1,586,421 Options	USD \$0.308	28 November 2025
600,678 Options	USD \$0.345	30 April 2027
747,954 Options	USD \$0.372	31 December 2027
113,103 Options	USD \$0.372	24 July 2028
867,465 Options	USD \$0.385	24 March 2029