

MARKET RELEASE

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Nuix announces 1H22 results

Sydney, Australia – Global software company Nuix (ASX:NXL) announces its results for the half year ending 31 December 2021 in line with the recent trading update.

Key Highlights

- Revenue \$84.0m, down 1.5% on 1H21
- Annualised Contract Value (ACV) \$164.5m, up 1.7% on 1H21
- EBITDA \$13.8m, down 56.4% on 1H21 (pro-forma)
- NPAT (\$2.3m), down 124.5% on 1H21 (pro-forma)

Annualised Contract Value (ACV), which removes volatility associated with multi-year deals, grew by 1.7% compared to the prior corresponding period (pcp). Subscription ACV, an important metric given its recurring nature, grew by 4.9%, representing approximately 90% of Total ACV.

The trend towards consumption-based licences continued in the half. Consumption-based ACV grew by 24.6% on pcp.

Customer churn remains low, at 4.1% for the half, highlighting the stickiness of Nuix's diversified customer base.

Nuix accelerated its investment into Research and Development during the half. Total R&D spend for the half rose to \$28.8m, representing 34% of revenue, and 29% higher than the pcp. Nuix continues to develop its integrated SaaS platform, as well as the incorporation of the Topos Natural Language Processing capabilities. FedRAMP code is now complete. An important Automation Release was also achieved during the half.

Nuix's North American business was stronger than the pcp, driven by both stronger upsell and new business, with Corporate a particular area of strength. Two large new deals were signed in the half and three key advisories renewed on multi-year deals. Nuix's US Government team recorded strong growth on the pcp on key renewals.

EMEA had a more challenging half, with both new business and upsell lower than the previous period. This outcome was partly driven by important contract wins in the prior period. Significant SaaS contract growth was achieved with a German multinational client as well as strong growth from service providers.

In Asia Pacific, growth was driven by strong renewals, particularly in the Government sector, driven by Regulators and Defence. Strong SaaS revenue growth is also being experienced in the region.

As part of Nuix's commitment to reinvestment, total headcount reached 478, up 13% on pcp. In line with experience elsewhere in the industry, Nuix is experiencing an increase in employee retention and recruitment costs. A particular near term focus remains the sales and distribution function.

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Group Chief Executive Officer Jonathan Rubinsztein commented on the outlook for Nuix:

“Since joining Nuix late last year, I’ve had the opportunity to meet with many of our people and customers. It’s clear that Nuix has great technology and talented people, and this has allowed us to solve a broad range of customer problems.

The market potential continues to grow and expand into new industry sectors and use cases for our technology. We are continuing to evolve and improve our solutions and business models to capitalise on these expanded opportunities.

We need to hone the focus of our great people and technology on solving our customers’ highest value and risk problems. We will centre our business on the evolving needs of our customers.

We are focused on three horizons of change. Firstly, we will look to build on our strengths, with an immediate focus on driving competitiveness, commercial performance and customer relationships in our core business.

Beyond that we have an opportunity for robust medium term growth through anticipating the needs of enterprise customers and building out our cross-solution platform to make the best of Nuix easily accessible.

Lastly, over the longer term, we need to solve for the future. We will undertake longer-range investment and prioritise the innovation pipeline for new ways to use our technologies.

Implementation of our strategic review outcomes has commenced and we have concrete, achievable goals. Central to our mission is to further evolve Nuix into a truly customer-centric organisation with strong top-line growth.

Simplicity, prioritisation and trust are key to our success as an organisation. We will continue to invest for growth, while actively refining strategy. The leadership team is in the early stages of implementing change to drive a renewed focus on customer centricity across the organisation, with an objective of returning to a strong top-line trajectory. This will involve a simpler structure and processes with clear accountabilities.

I am excited about Nuix’s future. The strategies the organisation is currently putting into place are the right ones to leverage Nuix’s remarkable technology and people to drive growth.”

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Results Webcast

Jonathan Rubinsztein, Group Chief Executive Officer, and Chad Barton, Chief Financial Officer, will present the 1H22 results via webcast at 10.30am (AEST).

To access the webcast, please use the following link:

<https://webcast.openbriefing.com/8330/>

A replay of the webcast will also be made available on the investor section of the Nuix website shortly after the event:

<https://investors.nuix.com/investor-centre/>

This announcement has been authorised by the Nuix Board.

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About Nuix

Nuix Limited is a leading provider of investigative analytics and intelligence software, with the vision of “finding truth in a digital world”. Nuix helps customers to process, normalise, index, enrich and analyse data from a multitude of different sources, solving many of their complex data challenges. The Nuix platform supports a range of use cases, including criminal investigations, financial crime, litigation support, employee and insider investigations, legal eDiscovery, data protection and privacy, and data governance and regulatory compliance. Headquartered in Sydney, Australia, Nuix licenses its software to more than 1,000 customers across 79 countries in North America, Asia Pacific and EMEA.

For further information, please visit investors.nuix.com

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