

MARKET RELEASE

26 February 2021

Nuix announces 1H FY21 results

Sydney, Australia – Global software company Nuix Limited (ASX:NXL) announces its half year results for the six months ended 31 December 2020 on both a pro forma and a statutory basis. The pro forma results exclude one-off costs primarily related to the Initial Public Offering (IPO).

Operational Highlights

- Successful ASX listing on 4 December 2020
- Momentum building with new business up over 17% compared to 1H FY20, 49 new customers, and the number and dollar value of SaaS deals growing
- Continued investment in R&D – 26% of 1H FY21 revenues, delivering product enhancements and progressing Cloud use cases for the Nuix Engine
- Attracting key new hires with a focus on salespeople and engineers

Financial Highlights

- Revenue (statutory and pro forma) at \$85.3m, down 4% yoy and 44% of FY21 forecast¹
- ACV (12 months ended 31 December 2020) at \$162m, up 3% yoy
- Pro forma EBITDA at \$31.6m, up 3% due to strong profit margins; EBITDA margin up at 37%
- Pro forma NPAT at \$9.5m and 48% of FY21 forecast¹
- Statutory net loss after tax of \$16.6m, or \$0.06 on an EPS basis

Comments from Nuix CEO Rod Vawdrey:

“We are pleased to report a good first half result that demonstrates the diversity of our business and the stickiness of our customer base. Our people have responded incredibly well to the new normal of working from home and providing virtual support to each other and our customers.

We have continued to invest in product development, increasing our ability to understand, investigate and protect data for customers and ourselves, including releasing a Microsoft Teams connector. We have also invested in our security practices including using the Nuix Endpoint Adaptive Security product internally as well as with key clients.

After a softer Q1, the December quarter was encouraging with a strong performance in all sales regions despite the US government being impacted by delayed access to decision makers because of COVID and the US election. The stronger weighting towards the second half is in line with expectations given COVID and seasonality. The result was also impacted by sustained currency headwinds into December, our largest order month in the first half.

Over the past six months, we have added 49 customers to our order book including industry leading brands in the US, UK and Europe. Strong customer engagement, a maturing and growing pipeline, and low customer churn (4.2%) are expected to boost ACV for the second half of FY21 with a return to more certain operating conditions anticipated in Q4 FY21. This gives us confidence that we can meet FY21 forecasts set out in our IPO Prospectus.”

¹ FY21 forecasts as per the IPO Prospectus

Financial Analysis

1H FY21 revenue was buoyed by high recurring revenue and strong new business sales of \$13.1 million offset by a weaker US dollar (\$2.4 million impact), disruption in US Government procurement processes and deal slippage of \$2.4m (which were subsequently closed in January 2021).

Profit margins increased in the period because software licenses generated 98% of 1H FY21 revenue and costs were kept under control. However, management expects to accelerate hiring initiatives in the second half to support initiatives such as product transition to the Cloud and add enterprise sales resources as the Company enters new geographies and strengthens its reach into the corporate sector in the USA and EMEA.

Balance Sheet

On 4 December 2020, the Nuix IPO raised \$953 million to provide existing securityholders with an opportunity to realise a portion of their investment in Nuix, to enable new shareholders to invest in Nuix, to fund the cancellation of options exercisable before completion of the offer and to pay down debt. As at 31 December 2020, Nuix's balance sheet had net assets of \$263 million including net cash of \$103 million.

Outlook

Nuix's growth opportunities are fuelled by the exponential growth in data and regulatory compliance. The Company will continue to build on its core technology based around the powerful Nuix Engine which processes unstructured data at speed and scale. Nuix has a strong foothold in the US\$4 billion eDiscovery and Digital forensics software markets and will continue to build out its strategic initiatives, particularly in the US\$23 billion government, risk and compliance (GRC) market. Together these markets make up the investigative analytics and intelligence software market.

Based on the first half FY21 results, strong new business momentum, a growing pipeline and low customer churn, management reaffirms forecast as per the IPO Prospectus.

FY21 total revenue of \$193.5 million; ACV of \$200 million and pro forma EBITDA of \$63.6 million

Nuix's earnings webcast

An investor conference call and webcast will be hosted today by Rod Vawdrey, Chief Executive Officer, and Stephen Doyle, Chief Financial Officer, at 10.30am (AEDT).

To participate in the call, please pre-register for dial in details using the link:

<https://s1.c-conf.com/diamondpass/10012401-8rfrl.html>

To access the live audio webcast, please use the following link:

<https://webcast.openbriefing.com/7206/>

A replay of the webcast will also be made available on the investor section of the Nuix website <https://investors.nuix.com/investor-centre/> approximately 48 hours after the initial broadcast.

This announcement has been authorised by the Board of Nuix.

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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 78 countries in North America, Asia Pacific and EMEA.

For further information, please visit investors.nuix.com