



## MARKET RELEASE

29 MAY 2023

# Nuix Addresses Inaccuracies in Media Article

**Sydney, Australia** – Nuix (‘the Company’, ASX: NXL) refers to versions of an article in the Australian Financial Review first published on 27 May 2023 online and in print (the Article) which contain numerous factual inaccuracies and incorrect statements.

While Nuix does not generally respond to media speculation, given the nature and number of inaccuracies in the Article, the Company believes it is important to provide clarity on some of the more serious claims.

### 1. No Corporate Regulator Attendance

The Article claimed that *“officials from the corporate regulator arrived at the Nuix headquarters in Sydney searching for evidence that the company’s chief executive, Jonathan Rubinsztein, traded shares while possessing confidential information.”* This is incorrect.

No officials from ASIC, or any other regulator, arrived at Nuix’s headquarters or any other Nuix premises in September 2022, or at any time since then. No search of any premises was conducted. The commencement of an investigation was notified by ASIC to the company by an email and has proceeded since then in an entirely orthodox fashion. Nuix is cooperating with ASIC in respect of that investigation.

### 2. Incorrect Customer Churn

The Article misrepresents Nuix’s customer churn. Nuix’s most recent reported Customer Churn was 4.8%, contained in the materials for the 1H23 result in February 2023 and repeated in the Macquarie Australia Conference materials in May 2023. This churn level is lower than the 5.5% reported in the Trading Update at Nuix’s AGM in November 2022.

The Article further misrepresents Customer Churn by suggesting that the 1H23 reported metric should be doubled to attain a full year outcome: *“an annualised figure that blows out to 10 per cent”*. Customer Churn is an *annualised* metric, as outlined in the Glossary of Nuix’s presentation materials. Accordingly, the reported annualised Customer Churn of 4.8% for 1H23 refers to a 12 month period. The doubling of reported churn is incorrect and inaccurate.

In addition, the Article makes claims that specific customers have *“left the Nuix order book.”* Nuix does not



discuss individual customers to respect confidentiality, but notes that the author's information is not accurate.

### **3. Incorrect Price Increases**

The Article claims *"the company is facing a significant exodus of customers"* likely associated with *"abrupt 200 per cent price rises"*.

Nuix increased its price book in July 2022. These price book increases were approximately 20-25 per cent. Conversations with customers in relation to price increases have been paired with a discussion about growing functionality and additional products.

Further, there is no evidence of an "exodus" given that Nuix's Statutory Revenue, Net Dollar Retention (NDR) and Annualised Contract Value (ACV) all rose in the last half, while Customer Churn remained low.

### **4. Incorrect Representation of Share Purchases**

The Article is incorrect in relation to the shares purchased by Mr Rubinsztein. The Article inaccurately reports the number of shares purchased (350,000 shares, not the reported 800,000) and makes simple and material calculation errors around the potential upside from that purchase.

### **5. Other Inaccuracies**

There are numerous additional inaccuracies in the Article relating to cash flows, cash balances, legal processes, individuals, roles and dates.

Nuix has contacted the Australian Financial Review in relation to the Article.

This announcement is authorised by the Board of Nuix.

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