NUIX LIMITED AND CONTROLLED ENTITIES

Appendix 4D and Consolidated Interim Financial Report

For the half-year ended 31 December 2024

A.B.N. 80 117 140 235

A.C.N. 117 140 235

ASX Code: NXL

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ASX Appendix 4D

Results for announcement to the market

Statutory results for the period ended 31 December	% change	1H FY2025 $000	1H FY2024 $000
Revenue from ordinary activities	Up 6.9%	105,193	98,441
Profit / (Loss) from ordinary activities after tax attributable to members	Down 115.4%	(10,402)	(4,830)
Profit / (Loss) for the year attributable to members	Down 115.4%	(10,402)	(4,830)

Non-GAAP measures of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the period[1]	% change	1H FY2025 $000	1H FY2024 $000
Cash EBITDA	Up 30.6%	13,392	10,255
Underlying EBITDA	Down 4.5%	27,088	28,366
EBITDA	Down 10.8%	15,330	17,181

Other information

Dividends

It is not proposed that dividends be paid for the half-year ended 31 December 2024 (31 December 2023: nil).

Dividend reinvestment plan

Nuix Limited has not implemented a dividend reinvestment plan.

Net Tangible Assets ('NTA') backing

As at 31 December	2024	2023
NTA[2] (thousands of dollars)	52,751	15,624
Number of shares (thousands)	330,733	321,565
NTA per share (cents)	15.9	4.9

Explanation of results

During the period ended 31 December 2024, the Group reported a loss after tax of $10,402,000, compared to a loss after tax of $4,830,000 in the prior corresponding period. Legal fees related to litigation and regulatory matters were $9,562,000, down from $11,185,000 in the prior corresponding period. Profit and loss in the current period was also impacted by restructuring costs of $2,196,000 (2024: Nil), and a lower capitalisation rate of Research and Development spend of $14,375,000 (2024: $18,111,000).

Supplementary comments

Additional information may be found in the media release and investor presentation lodged with the ASX on 24 February 2025 and the Operating and Financial Review forming part of the Directors' Report.

Entities over which control, joint control or significant influence was gained or lost

The Group has no interests in associates or joint ventures during either the current or prior corresponding periods, and there have been no changes in entities that the Group controls during the current period.

[1] Cash EBITDA incorporates full Research and Development spend (both expensed and capitalised) but excludes non-operational legal costs and restructuring costs.

Underlying EBITDA is identical to CASH EBITDA but only includes the expensed component of Research and Development spend, not the capitalised component

EBITDA is Underlying EBITDA including the impact of legal costs relating to litigation matters, the ATO review, and restructuring costs

[2] Net Tangible Assets have been calculated as net assets, adjusted for intangible assets and deferred taxes.

Directors' Report

The Directors of Nuix Limited (**Nuix**) present their report for the consolidated entity comprising Nuix and its controlled entities (collectively referred to as the **Group**) in respect of the half-year ended 31 December 2024.

1. Directors

The following persons were directors of Nuix Limited during the half-year and up to the date of this report unless otherwise stated:

• Robert Mactier	Chair and Non-Executive Director
• Jeffrey Bleich	Deputy Chair and Non-Executive Director
• Jonathan Rubinsztein	CEO and Executive Director
• Sir Iain Lobban	Non-Executive Director
• Jacqueline Korhonen	Non-Executive Director
• Alan Cameron	Non-Executive Director
• Sara Watts	Non-Executive Director

2. Operating and financial review

This Operating and Financial Review is prepared to assist shareholders in understanding Nuix's business performance and the factors underlying its results and financial position. It complements the disclosures in the Interim Financial Report. All amounts are presented in Australian dollars to the nearest thousand except where indicated.

In addition to statutory financial information, non-GAAP information have been included, comprising "Annualised Contract Value" (ACV), "Cash EBITDA," "Underlying EBITDA" and "EBITDA," as Nuix believes these measures provide information for readers to assist in understanding the company's financial performance. Non-GAAP financial information should not be viewed in isolation or considered as substitutes for measures reported in accordance with Australian equivalents to International Financial Reporting Standards.

2.1 Principal activities

Nuix is a leading provider of investigative analytics and intelligence software which empowers organisations to simply and quickly find meaningful insights from large amounts of unstructured data.

Nuix offers a software platform (Nuix platform) comprising a powerful proprietary data processing engine (Nuix Engine) and several software applications. It has been developed in-house, shaped by feedback from long-standing government and private sector customers over more than two decades, and assists customers in solving complex data challenges. The Nuix platform operates at a forensic level, providing users with a highly detailed, contextualised and legally defensible way of viewing and interacting with data.

2.2 Group performance and financial position

Statutory revenue for the period rose to $105,193,000, up 6.9% on the prior corresponding period (pcp). The proportion of revenue derived from multi-year deals was 21.9%, compared to 24.4% in the pcp.

The share of revenue from consumption style licences rose further in the period, as the Company saw continued strong growth in Nuix Neo sales with a net increase in the number of customers using Nuix Neo of 46 up from 23 in the pcp. Accordingly, the proportion of traditional module style licences was relatively lower.

Underlying EBITDA, which excludes legal fees related to regulatory/litigation matters and costs associated with restructuring activities fell 4.5% on pcp, to $27,088,000. The fall in Underlying EBITDA is primarily due to a reduction in the proportion of R&D spend that is required to be capitalised compared to the prior period.

Cash EBITDA, which excludes the impact of variations from period to period in capitalisation rates of R&D activities and the impact of restructuring costs increased 30.6% to $13,392,000 in line with revenue growth exceeding the growth of operating costs.

Pre-capitalisation Research and Development spend rose 7.3% in 1H25 compared to 1H24 on a normalised basis excluding the impact of restructuring costs, as the Company lifted its overall investment from an historically lower level in the pcp. As a proportion of revenue, research and development spend on a normalised basis excluding the impact of restructuring costs remained consistent at 27% compared to 1H24. The Research and Development investment during the period was driven by continued development in core areas such as Nuix Neo, product components, advancements in capabilities incorporating Generative AI and Deep Learning Framework and further improvements in customer centric outcomes and operational improvements. The mix of development work, resulted in a much higher expensed component of Research and Development spend. In addition to the costs referred to above, a program to create longer term efficiencies in Nuix's technology and product development teams led to a $2,196,000 of associated restructuring costs in the period.

Legal fees related to regulatory/litigation matters continue to be elevated in the half year, primarily due to costs associated with the Class Action. For the half year, legal fees related to regulator/litigation matters amounted to $9,562,000 compared to $11,185,000 in the prior corresponding period.

The lower level of Underlying EBITDA, combined with these legal fees and restructuring costs impacted Statutory EBITDA, which fell by 10.8% compared to 1H24.

A reconciliation of the loss of the half year to non-GAAP measures of EBITDA is shown below:

	For the half-year ended 31 December	
	2024 $000	2023 $000
Cash EBITDA	**13,392**	**10,255**
Capitalised development costs[1]	13,696	18,111
Underlying EBITDA	**27,088**	**28,366**
Legal fees – regulatory/litigation	(9,562)	(11,185)
Restructuring costs	(2,196)[2]	-
EBITDA	**15,330**	**17,181**
Depreciation and amortisation	(27,893)	(23,271)
Interest expense	(797)	(613)
Interest income	438	33
Net foreign exchange gains / (losses)	2,086	(595)
Fair value gain on contingent consideration	(55)	2,137
Loss for the period before income tax	**(10,891)**	**(5,128)**
Income tax benefit	489	298
Loss for the period	**(10,402)**	**4,830**

[1] Total capitalised development costs for the period of $14,375,000 less those relating to restructuring costs of $679,000.

[2] Gross amount of expenses relating to restructuring costs of $2,875,000, less the proportion of these costs subject to capitalisation as relating to development activities of $679,000.

Annualised Contract Value (ACV), Net Dollar Retention and Churn

Annualised Contract Value (ACV) is a non-GAAP measure that gives an indication of the annualised “run rate” of Nuix’s contract values at a given point in time, adjusting for the sometimes-variable impacts of multi-year deals on measures such as statutory revenue.

ACV at 31 December 2024 was $216,235,000, up 8.3% compared to 31 December 2023, and up 2.2% in the six month-period since 30 June 2024.

Subscription ACV is a component of Total ACV and is an important indicator of the proportion of ACV that is generally recurring in nature. Subscription ACV grew by 13.3% year on year to $209,927,000, comprising 97% of overall ACV, compared to 93% in pcp.

ACV that is not Subscription ACV is classed as “Other ACV”. Other ACV comprises short-term (less than 12-month) and perpetual licences, as well as one-off services. Other ACV fell markedly in the period, to $6,308,000, from $14,301,000 in the pcp. This fall is line with Company’s strategy of selling fewer Perpetual licences in favour of other licence formats, which are incorporated in Subscription ACV.

Nuix Neo ACV rose to $18,853,000 on further strong take up of these solutions.

The growth in Nuix Neo was a significant contributor to a further rise in the proportion of ACV derived from consumption licences. For the half, consumption licences grew to represent 26% of total ACV, from 19% in the pcp. Traditional module style licences, while still rising in an absolute sense, fell to 58% of total ACV, from 60% in the pcp. The remainder of ACV was mostly attributable to maintenance from sales of perpetual licences in prior periods.

Whilst customers have responded positively to Nuix Neo, the increasing transaction size and complexity, together with the shift from component to platform, is contributing to longer procurement cycles for some clients. This affects both converting existing customers and attracting new ones, making revenue and ACV forecasts less predictable in the short term.

Customer Churn fell to 5.4%, compared to 5.7% in the pcp, although was higher than the 4.4% recorded at full year FY24 results.

Net Dollar Retention (NDR) is an important indicator of the change in the spend pattern of the Group’s existing customer base over a 12 month period, and incorporates the impacts of customer churn. NDR fell to 109.6%, compared to 110.1% in the pcp, and 112.9% at the FY24 results. The NDR outcome was lower on smaller upsell to existing customers, churn, and slipped deals.

The Group maintains a $30,000,000 multicurrency revolving facility. As at 31 December 2024, the Group utilised $746,000 in the form of bank guarantees and had a closing cash balance of $30,663,000. The decrease in cash and cash equivalents during the half is primarily due to legal fees related to regulatory/litigation matters. Excluding payments for these legal fees, the Group generated positive cash flow from operations.

	For the half-year ended 31 December	
	2024 $000	**2023 $000**
Operating cash flows	6,841	17,624
Investing cash flows	(14,281)	(20,976)
Free cash flows	**(7,440)**	**(3,352)**
Cash flows associated with M&A activities	-	3,563
Cash flows associated with legal fees – regulatory/litigation	14,049	6,438
Cash flows associated with restructuring activities	369	-
Underlying free cash flows	**6,978**	**6,649**

2.3 Business strategies

In line with recent periods, the Nuix Neo suite of solutions remains a core element of driving strategic growth. Nuix Neo resets commercial relationships by accelerating customers’ productivity, deployment flexibility and artificial intelligence (AI) innovation in a fully integrated platform. Nuix Neo is accessed through a browser-based, collaborative interface and can be deployed on premise or in a customer cloud. It is a consumption-based subscription model allowing on demand scalability.

During the half, the Group articulated key areas of technology development for Nuix Neo, including expanded solution capabilities, semantic search, and rapid deployment capability (Nuix Neo Local). Research and Development work over the course of the half means the Group is well placed to deliver these enhancements to customers in the second half of this fiscal year. It is anticipated that ongoing technology enhancements to Nuix Neo will help to driver further take up and value realisation from Nuix Neo solutions.

In addition, the Group continues to invest in its component-based offering, with development work on upgrades to Engine, Workstation and Investigate continuing during the half, for release to customers in the second half of this fiscal year. Cognitive AI capabilities have been incorporated into Nuix's Discover SaaS offering, and this is functionality is also expected to be offered to customers in the second half of this fiscal year.

The commitment that the Group has made to Research and Development enhancements across Nuix Neo, the traditional component suite and Discover SaaS, is an important factor in maintaining and growing Nuix's customer offering, and accordingly growth for the Group.

During the half, the Group initiated a restructure of Product and Technology teams, to more closely align the business with a solutions-based model. This project involves transitioning away from Conshohocken and Novato locations in USA, as well as Cork, Ireland, and reinvesting into additional roles in Sydney, Australia, Washington DC, USA, Germany and India (through a technology partner). Consolidating locations will streamline delivery by reducing cross-region interdependencies and co-locating teams working on the same solution. This initiative is a further element in driving greater efficiencies from the Group's existing cost footprint.

3. Events since the end of the interim period

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

4. Rounding of amounts

Nuix is a company of the kind referred to in *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*. In accordance with that Instrument, all financial information presented has been rounded to the nearest thousand dollars, unless otherwise stated.

5. Auditors' independence declaration

The Directors have received the Lead Auditors Independence Declaration under section 307C of the Corporations Act 2001. The Lead Auditor's Independence Declaration is set out on page 9 and forms part of the Directors' Report for the half-year ended 31 December 2024.

This report is signed in accordance with a resolution of the Board of Directors.

SIGNED:

Robert Mactier
Chair
Sydney, Australia
24 February 2025

Jonathan Rubinsztein
Director
Sydney, Australia
24 February 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nuix Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Nuix Limited for the half-year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Trent Duvall

Partner

Sydney

24 February 2025

NUIX LIMITED AND CONTROLLED ENTITIES

Consolidated Interim Financial Report

For the half-year ended 31 December 2024

A.B.N. 80 117 140 235
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Consolidated statement of comprehensive income

For the half-year ended 31 December 2024

	Notes		31 Dec 2024 $000		31 Dec 2023 $000
Revenue	5		105,193		98,441
Cost of goods sold			(11,125)		(10,093)
Gross profit			**94,068**		**88,348**
Sales and distribution			(32,657)		(33,839)
Research and development			(41,648)		(29,831)
General and administration					
Legal fees – regulatory/litigation[1]	4	(9,562)		(11,185)	
Other general and administration		(23,052)		(20,139)	
Total general and administration			(32,614)		(31,324)
Other income	6		288		556
Net realised and unrealised foreign exchange gains/(losses)			2,086		(595)
Operating loss			**(10,477)**		**(6,685)**
Finance costs	4		(797)		(613)
Finance income			438		33
Fair value (loss)/gain on contingent/deferred consideration			(55)		2,137
Loss before income tax			**(10,891)**		**(5,128)**
Income tax benefit	7		489		298
Loss for the period			**(10,402)**		**(4,830)**
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	9		9,102		(3,434)
Other comprehensive income, net of tax			**9,102**		**(3,434)**
Total comprehensive loss, net of tax			**(1,300)**		**(8,264)**
Earnings per share					
Basic	10		(0.03)		(0.02)
Diluted	10		(0.03)		(0.02)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

[1] Refer to Note 4, net of insurance recoveries.

Consolidated statement of financial position

As at 31 December 2024

	Notes	31 Dec 2024 $000	30 Jun 2024 $000
Current assets			
Cash and cash equivalents		30,663	38,032
Trade and other receivables (including contract assets)		79,866	66,844
Other current assets		5,556	8,652
Current tax assets		3,315	1,832
Total current assets		**119,400**	**115,360**
Non-current assets			
Non-current receivables (including contract assets)		19,938	21,664
Deferred tax assets		7,254	5,556
Intangible assets		239,790	243,933
Property and equipment		2,348	2,288
Right of use assets		5,920	8,277
Total non-current assets		**275,250**	**281,718**
Total assets		**394,650**	**397,078**
Current liabilities			
Trade and other payables		21,950	34,866
Deferred revenue		51,583	38,444
Provisions	11	5,220	3,177
Lease liabilities		2,778	3,189
Other current liabilities	12	1,535	3,949
Total current liabilities		**83,066**	**83,625**
Non-current liabilities			
Deferred revenue		5,781	7,683
Provisions	11	1,118	1,239
Lease liabilities		3,441	6,583
Deferred tax liabilities		7,999	8,548
Other non-current liabilities	12	1,449	2,708
Total non-current liabilities		**19,788**	**26,761**
Total liabilities		**102,854**	**110,386**
Net assets		**291,796**	**286,692**
Equity			
Issued capital	8	379,364	376,947
Reserves	9	(138,513)	(151,602)
Retained earnings		50,945	61,347
Total equity		**291,796**	**286,692**

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2024

	Issued capital $000	Share based payments reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
Balance at 1 July 2023	**370,696**	**(165,441)**	**9,266**	**56,321**	**270,842**
Loss for the half-year	-	-	-	(4,830)	(4,830)
Other comprehensive income	-	-	(3,434)	-	(3,434)
Total comprehensive income/(loss)	-	-	(3,434)	(4,830)	(8,264)
Transactions with owners					
Shares issued in relation to acquisition of Rampiva[1]	3,041	-	-	-	3,041
Share-based payments	-	3,088	-	-	3,088
Balance at 31 December 2023	**373,737**	**(162,353)**	**5,832**	**51,491**	**268,707**
Balance at 1 July 2024	376,947	(158,753)	7,151	61,347	286,692
Loss for the half-year	-	-	-	(10,402)	(10,402)
Other comprehensive income	-	-	9,102	-	9,102
Total comprehensive income/(loss)	-	-	9,102	(10,402)	(1,300)
Transactions with owners					
Shares issued in relation to acquisition of Rampiva	1,580	-	-	-	1,580
Share options exercised	92	-	-	-	92
Shares issued in relation to Employee Share Award Plan	745	-	-	-	745
Share-based payments	-	3,987	-	-	3,987
Balance at 31 December 2024	**379,364**	**(154,766)**	**16,253**	**50,945**	**291,796**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

[1] The Group acquired Rampiva Technology, Inc and Rampiva Global, LLC (collectively 'Rampiva') on 1 July 2023. The consideration for the acquisition included an amount of Nuix Limited shares to the value of USD $2,000,000 on completion, and during they half-year ended 31 December 2024 a portion of the deferred consideration was settled by the issuance of shares in Nuix Limited. Refer to Note 12 for further information as to the remaining deferred consideration to be settled in Nuix Limited shares as of 31 December 2024.

Consolidated statement of cash flows

For the half-year ended 31 December 2024

	Notes	31 Dec 2024 $000	31 Dec 2023 $000
Cash flows from operating activities			
Receipts from customers		106,659	102,810
Payments to employees and suppliers		(98,055)	(84,941)
Interest received		11	33
Income tax paid		(1,774)	(278)
Net cash provided from operating activities		**6,841**	**17,624**
Cash flows from investing activities			
Payments for software development costs		(13,538)	(17,183)
Purchase of property and equipment		(743)	(230)
Acquisition of Rampiva, net of cash acquired		-	(3,563)
Net cash used in investing activities		**(14,281)**	**(20,976)**
Cash flows from financing activities			
Payments of principal on lease liabilities		(2,728)	(1,712)
Interest paid		(423)	(613)
Realisation of term deposit		746	-
Receipts in relation to Employee Share Award Plan		745	-
Share options exercised		92	-
Net cash used in financing activities		**(1,568)**	**(2,325)**
Net change in cash and cash equivalents		(9,009)	(5,677)
Cash and cash equivalents at beginning of financial period		**38,032**	**29,588**
Exchange differences on cash and cash equivalents		1,639	48
Cash and cash equivalents at end of period		**30,663**	**23,959**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. Basis of preparation

1.1 Reporting entity

Nuix Limited (the 'Company') is a company that is incorporated and domiciled in Australia. This consolidated interim financial report ('interim financial report') as at and for the six months ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as 'the Group').

The interim financial report was authorised for issue by the Board of Directors on 24 February 2025.

1.2 Basis of accounting

The interim financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB). The interim financial report of the Group also complies with International Accounting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all the information required for an annual financial report and should be read in accordance with the consolidated annual financial report of the Group for the year ended 30 June 2024. This report should also be read in conjunction with any public announcements made by the Group in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and ASX Listing Rules. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period and the adoption of new and amended standards below.

The interim financial report is presented in Australian dollars, which is the functional currency of the Group, and has been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values.

Nuix is a company of the kind referred to in *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*. In accordance with that instrument all financial information presented has been rounded to the nearest thousand dollars, unless otherwise stated.

1.3 New standards, interpretations and amendments adopted by the Group

A number of new or amended standards and interpretations became applicable for the current reporting period effective from 1 July 2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards, as they did not have a significant impact on the Group's consolidated financial statements.

1.4 Impact of standards issued but not yet applied by the Group

A number of new or amended standards and interpretations have been published that are not mandatory for 31 December 2024 half-year reporting and have not been early adopted by the Group. When they are required to be adopted and whilst the Group is still assessing the impact of these new or amended standards and interpretations, they are not expected to have a significant impact on the Group's consolidated financial statements.

1.5 Going concern

The financial statements have been prepared on a going concern basis.

In preparing these financial statements, the Group has prepared, and the Directors have considered cash flow forecasts, taking into account information currently available regarding current conditions and those, at least but not limited to, twelve months from the end of the reporting period.

The uncertainties attached to the unknown outcomes and timing of the litigation matters, together with the potential business impacts of the ongoing litigation matters and their attendant reputational and financial impacts, gave rise to the Group concluding that while there are uncertainties related to events or conditions that may, depending on the circumstances, cast doubt on the entity's ability to realise its assets and discharge its liabilities in the normal course of business, it remains appropriate that the financial statements be prepared on a going concern basis.

In forming this conclusion, the Directors have considered:

- the potential timing and quantum of any adverse outcomes from the current litigation action by the regulator as detailed in Note 13, having regard to the penalty regime, views of our advisors and potential likelihood of outcomes. The Directors also have had regard to the Group's options to appeal any adverse judgement, should one arise, and the associated usual appeal hearing timeframes;
- the Group is in a net current asset position of $36,334,000, and holds $30,663,000 of available cash and cash equivalents as at 31 December 2024;
- the Company having a debt financing agreement with The Hongkong and Shanghai Banking Corporation, Sydney Branch (HSBC) to provide an AUD $30,000,000 multicurrency revolving credit facility under a Facility Agreement, with a maturity of three years, to be used for general corporate purposes. As of 31 December 2024, an amount of AUD $746,000 has been utilised in the form of a bank guarantee to secure commitments under a lease agreement, with the balance of the commitment remaining undrawn.

1.6 Use of judgements and estimates

In preparing this interim financial report, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty in preparing the interim financial report were consistent with those described in the latest annual financial report, with the exception of those relating to the accounting for provisions as a result of restructuring activities that have been required to be recognised in this interim financial report.

1.6.1 Revenue recognition

Determination of contract term

For licences to use our software, determining the non-cancellable term of a contract with a customer can require significant judgement. Given a substantial portion of our contracting is with governmental agencies, and the varied nature of our contracting with customers, interpretation of termination clauses at the inception of the contract requires judgement. If a contract term is determined to be non-cancellable for a longer period, a higher amount of revenue is likely to be recognised upfront; whereas a contract term that is determined to be non-cancellable for a shorter period, a lower amount of revenue is likely to be recognised upfront.

Contracts with multiple performance obligations

The Group enters into contracts with its customers that can include promises to transfer multiple performance obligations. A promised good or service must be distinct to be accounted for as a separate performance obligation. For software license contracts, there is a combination of goods and services that include software licensing, software maintenance and support services which are generally treated as separate performance obligations on the basis that the customers can benefit from them separately (or with other rights that they have), and they are separately identifiable in the contract.

Judgement has been exercised in estimating the standalone selling price for software licences with bundled support and maintenance. To estimate the standalone selling prices for the software licenses and bundled support and maintenance, Nuix considers available observable inputs, such as the support and maintenance charges where there is no bundling, including adjustments to these observable inputs to reflect differences in the licensing arrangements and pricing practices.

Recognition of revenue on sales made through partners

Where the Group transacts with customers through partners, the Group is required to assess whether the partner is:

- our customer – in which case, Nuix will recognise the net consideration receivable from the partner as revenue; or
- an agent, and the end customers are Nuix's customers, in which case Nuix will recognise the gross consideration paid by the end customer as revenue, with the partner's fee usually recognised as a cost.

Nuix sells through partners which includes entities that are referred to by Nuix as resellers and distributors. Nuix's partners help to extend coverage and capacity of Nuix's distribution network. A reseller is an intermediary that acts on behalf of Nuix and sells Nuix software to third parties. A distributor also sells Nuix software to third parties, however the distributor may also appoint sub-distributors or agents to market and sell Nuix products on their behalf. There are a number of other types of organisations that Nuix considers to be partners that do not support indirect sales in the same way as a reseller or distributor. These partnerships include advisories and service providers, integrations partners, authorised training partners, original equipment manufacturing (OEM) partners and transactional resellers.

Nuix has concluded that reseller partners are the only partner sales where the seller is considered an agent of Nuix. This is on the basis that the partners do not obtain control of the goods and services that are provided by Nuix to end customers as part of that sales channel. In relation to sales of licences to Nuix software, resellers are required to provide Nuix with an order from an end customer and Nuix has the unilateral ability to decline such an order form. On the basis that the licence to an end customer is generated only on acceptance by Nuix of such an order form, and that the licence and associated support and maintenance is provided directly to the end customer, Nuix has concluded that the end customer is its customer, and the reseller is acting as an agent in these arrangements. In these instances, Nuix applies judgment to determine the consideration to which it is entitled using all relevant facts and circumstances that are available.

For all other sales made through partners (e.g. advisories, distributors and original equipment manufacturing partners), Nuix has concluded that the partners take control of the licence and related support and maintenance, and as a result those partners are Nuix's customers in those arrangements.

1.6.2 Recognition and measurement of restructuring provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

1.6.3 Capitalisation and useful life of intangible assets

Management has made judgements in respect of intangible assets when assessing whether an internal project in the development phase meets the criteria to be capitalised, and on measuring the costs and economic life attributed to such projects. On acquisition, specific intangible assets are identified and amortised over their estimated useful lives. The capitalisation of these assets and the related charges are based on judgements about their value and economic life.

Management has also made judgements and assumptions when assessing the economic life of intangible assets and the pattern of consumption of the economic benefits embodied in these assets. The economic lives for intangible assets are estimated at between three and ten years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

1.6.4 Impairment testing of goodwill

Determining whether goodwill is impaired requires judgement to allocate amounts of goodwill to CGUs and a combination of judgement and assumptions to estimate recoverable amounts.

As of 30 June 2024, management concluded that the Group comprised of one CGU, the Nuix platform CGU. As the majority of customers of Rampiva align to existing Nuix customers, the acquisition of Rampiva on 1 July 2023 did not result in the identification of an additional CGU and there have been no changes as of 31 December 2024 to the conclusion that only one CGU for the Group has been identified.

The accounting standards for an interim reporting period require that the Group applies the same impairment testing, recognition, and reversal criteria at an interim date as it would the end of its financial year; however an entity need not necessarily complete a detailed calculation at the end of each interim period unless there are indications of significant impairment since the end of the most recent financial year.

Management have assessed that any indicators of impairment that continue to persist during the half-year are pre-existing from the time of the impairment test carried out at 30 June 2024 (e.g., recent financial performance, higher interest rate environment, costs of defending litigation and claims bearing on operating cash flows) when it was determined that the headroom for the Nuix platform CGU was in excess of $100 million. There are no indicators that a significant impairment has arisen since 30 June 2024 which would necessitate a full test.

1.6.5 Accounting for tax assets and uncertain tax position

Uncertainty over income tax treatments

In the current and prior periods as disclosed in the Prospectus and previous annual financial reports, the Group has exercised judgement in recognising and measuring Research and Development (‘R&D’) tax offsets available to Nuix under Australian tax legislation relating to eligible R&D expenditure incurred on eligible overseas development activities and eligible core Australian activities.

In 1H FY24, the regulator commenced a review of Nuix’s tax affairs covering the period from FY16 to FY22. As a result of certain developments during that review and due to additional information which was identified in the course of Nuix responding to requests from the regulator, in 2H FY24, the Group reconsidered the likelihood of the taxation authority continuing to accept the Group’s tax treatment for the Endpoint Project. As a result, and while the matter is finely balanced, the Group considered that there may be a risk that the tax authority would not accept the Group’s tax treatment for the Endpoint Project for the years FY16 to FY19 and remeasured various tax balances in the preparation of Nuix’s financial statements for the year ended and as at 30 June 2024.

In determining the impact of this change in judgement, consideration was given as to whether the expenditure giving rise to the R&D offsets in the lodged returns for FY16 to FY19 would otherwise be deductible for tax purposes in the year of expenditure and not treated as capital or capital in nature.

Accounting standards require any benefits from R&D offsets which are above the 30% corporate tax rate to be subject to government grant accounting. As a result, changes to R&D offsets recognised from amounts claimed in relation to R&D activities, had an impact on amounts recognised as other income when the impact of the change in accounting estimate was recognised in the financial statements for the year ended 30 June 2024.

The change in estimate during 2H F24 did not result in the identification of any shortfall in payments for income tax in previous periods and was a non-cash adjustment.

Whilst the regulator has not finalised its review, there have been no changes to this judgement during the half year ended 31 December 2024.

Recoverability of tax assets

Evaluating the need for a provision for recoverability of deferred tax assets often requires significant judgement and extensive analysis of all the evidence available to determine whether all or some portion of the deferred tax assets will not be realised. A recoverability provision must be established for deferred tax assets when it is more-likely-than-not (a probability level of more than 50%) that they will not be realised.

Management have assessed all evidence available including historical utilisation patterns, anticipated timing of the reversal of deductible and taxable temporary differences and forecast future assessable income, and have concluded that sufficient taxable differences will reverse and/or it is sufficiently probable that future taxable profits will be generated to allow the Group to benefit from the deferred tax asset recognized at the reporting date. Accordingly as of 31 December 2024, no valuation adjustment is required to be recognised against deferred tax assets and they are recognised in full (30 June 2024: no valuation adjustment was required to be recognised).

1.6.6 Contingent liabilities

Assessing whether past events give rise to present obligations

In determining the accounting for matters where there is a potential outflow of benefits, the key judgements and assumptions required to be made relate to whether an obligation has arisen.

Where on balance it has not been determined that it is more likely than not that a present obligation for an outflow of benefits exists at reporting date, such a liability is a contingent liability.

As contingent liabilities are generally not recognised in the statement of financial position (except for those assumed in a business combination), concluding that it is not more likely than not that a present obligation does exist, has the result that no accounting entries are booked and there is no impact reported in profit or loss.

2. Fair value measurements

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities. The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to approximate their fair values due to their short-term nature.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs to the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on market observable data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Group does not have any debt securities or derivative financial instruments which require measurement at fair value. As the inputs to the valuation of deferred consideration are determined with reference to market-based discount rates for time value for known amounts that will be settled at a future date, this is deemed a Level 2 measurement of fair value. Refer to Note 12 for fair value disclosures related to deferred consideration.

3. Segment information

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments under AASB 8 Operating Segments. The CEO (Chief Operating Decision Maker or 'CODM') assesses the financial performance of the Group on an integrated basis only and accordingly, the Group is managed on the basis of a single segment. Information presented to the CODM on a monthly basis is categorised by type of revenue as provided below.

Further, various measures of earnings before interest, tax, depreciation and amortisation ('EBITDA') are used to assess the performance of the business.

Segment performance

	For the half-year ended 31 December	
	2024 $000	**2023 $000**
Software	99,547	94,651
Services	5,199	3,761
Revenue from events (sponsorship and ticket sales)	447	29
Total revenue	**105,193**	**98,441**

In general, a large amount of revenue is generated by customers that are global, from transactions that cross multiple countries and where the source of revenue can be unrelated to the location of the users accessing the software. Accordingly, the Group is managed as a single segment.

Reconciliation of the various measures of EBITDA that are used to assess the performance of the business to the net loss after tax is as follows:

	For the half-year ended 31 December	
	2024 $000	**2023 $000**
Cash EBITDA	**13,392**	**10,255**
Capitalised development costs[1]	13,696	18,111
Underlying EBITDA	**27,088**	**28,366**
Legal fees – regulatory/litigation	(9,562)	(11,185)
Restructuring costs	(2,196)[2]	-
EBITDA	**15,330**	**17,181**
Depreciation and amortisation	(27,893)	(23,271)
Interest expense	(797)	(613)
Interest income	438	33
Net foreign exchange gains / (losses)	2,086	(595)
Fair value gain on contingent consideration	(55)	2,137
Loss for the period before income tax	**(10,891)**	**(5,128)**
Income tax benefit	489	298
Loss for the period	**(10,402)**	**4,830**

[1] Total capitalised development costs for the period of $14,375,000 less those relating to restructuring costs of $679,000.

[2] Gross amount of expenses relating to restructuring costs of $2,875,000, less the proportion of these costs subject to capitalisation as relating to development activities of $679,000.

Geographic information

	For the half-year ended 31 December	
Revenue generated by location of customer[1]	**2024 $000**	**2023 $000**
Asia Pacific	22,940	13,653
Americas	61,709	50,340
Europe, Middle East and Africa (EMEA)	20,544	34,448
	105,193	**98,441**

Non-current assets by geographic location:	**31 Dec 2024 $000**	**30 Jun 2024 $000**
Asia Pacific	145,316	140,749
Americas	127,535	139,026
Europe, Middle East and Africa (EMEA)	2,399	1,943
	275,250	**281,718**

[1] The amounts for revenue by region in the following table are based on the invoicing location of the customer. The year-on-year movement in statutory revenue for each of the regions is impacted by the revenue recognition for sales of licences for rights to use our on-premise software in multi-year deals, or on a perpetual basis.

4. Profit / (Loss) for the period

The profit / (loss) for the period has been arrived at after recognising the following items:

	For the half-year ended 31 December	
	2024 $000	2023 $000
Expenses		
Legal fees – operational	726	1,412
Legal fees – regulatory/litigation[1]	9,562	11,185
Restructuring costs[2]	2,196	-
Employee benefit expenses (inclusive of share-based payment expenses)		
Support and operations[3]	3,845	2,931
Sales and distribution	27,157	29,304
Research and development[4]	15,043	10,850
General and administration	11,049	9,167
Finance costs		
Interest expense	797	613
Depreciation and amortisation		
Sales and distribution	736	466
Research and development	25,641	21,257
General and administration	1,366	1,398
Cost of goods sold	150	150

[1] Relates to costs for Group's defences to the actions brought as disclosed in Note 13, the tax matter in Note 1.6.5, and legal advice for the acquisition of Rampiva in the prior period. This amount is presented net of amounts received from insurers.

[2] Gross amount of expenses relating to restructuring costs of $2,875,000, less the proportion of these costs subject to capitalisation as relating to development activities of $679,000. Restructuring costs comprise of amounts recognised as provisions for post-employment benefits and redundancies of impacted employees which are expected to be paid in second half of FY25, and related recruitment costs where roles have been relocated to drive increased collaboration and efficiency in development activities.

[3] Presented in the face of the financial statements as part of cost of goods sold.

[4] Wages and salaries and share-based payment expenses disclosed for the research and development function presented above are net of amounts required to be capitalised as development costs to intangible assets. Wages and salaries capitalised as development costs to intangible assets totalled $12,759,000 during the half-year ended 31 December 2024 (31 December 2023: $15,431,000), with the remaining amounts capitalised being directly attributable costs and incremental overheads of development activities. A total amount of $14,375,000 was capitalised for development activities during the half-year ended 31 December 2024 (31 December 2023: $18,111,000).

5. Revenue

Disaggregation of revenue

The Group disaggregates revenue by categories shown in the tables below.

Revenue by type

	For the half-year ended 31 December	
Revenue	**2024 $000**	**2023 $000**
Subscription licences	59,560	64,094
Perpetual licences	13,659	15,102
Consumption licences	26,328	15,455
Total licence revenues (including related support and maintenance)	**99,547**	**94,651**
Professional services	5,199	3,761
Revenue from events (sponsorship and ticket sales)	447	29
Total other revenues	5,646	3,790
Total revenues	**105,193**	**98,441**

Timing of revenue recognition

	For the half-year ended 31 December	
Timing of revenue recognition	**2024 $000**	**2023 $000**
Point in time	63,088	66,722
Over time	42,105	31,719
	105,193	**98,441**

6. Other income

	For the half-year ended 31 December	
	2024 $000	**2023 $000**
Government grant income	245	556
Other income	43	-
	288	**556**

Government grants recognised as other income in the half-year relates to benefits received under the Australian Research and Development Tax Incentive regime in excess of the statutory income tax rate.

7. Income tax expense

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the half-year reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

Movements in effective tax rate are caused by the impact of recurring permanent differences between accounting expenses and tax deductions, and the quantum of these differences compared to profit / (loss) before tax.

8. Issued capital

Movements in ordinary shares	2024 Shares	2023 Shares	2024 $000	2023 $000
	For the half-year ended 31 December			
Opening balance	323,528,786	317,499,158	376,947	370,696
Shares issued for employee performance rights vesting during the period	4,605,960	488,053	-	-
Shares acquired to participate in the Employee Share Award Plan	-	-	745[1]	-
Shares issued to Nuix Employee Share Trust	2,100,000[2]	-	-	-
Shares issued for acquisition of Rampiva	457,871	3,578,179	1,580	3,041
Share options exercised	40,714	-	92	-
Closing balance	330,733,331	321,565,390	379,364	373,737

Ordinary shares participate in dividends and the proceeds upon winding up of the Company, proportionately to the shareholding. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The issued shares do not have a par value. There are no externally imposed capital requirements.

9. Reserves

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Movements in reserves	2024 $000	2023 $000
	For the half-year ended 31 December	
Share-based payment reserve		
As at 1 July	(158,753)	(165,441)
Share-based payment arrangements	3,987	3,088
As at 31 December	(154,766)	(162,353)
Foreign currency translation reserve		
As at 1 July	7,151	9,266
Foreign currency translation reserve	9,102	(3,434)
As at 31 December	16,253	5,832
Total reserves	**(138,513)**	**(156,521)**

[1] In 1H FY25, Nuix introduced an Employee Share Award Plan which gave employees the opportunity to acquire shares in Nuix Limited with a matching right up to a capped value. The matching right gives participating employees a performance right to shares in Nuix Limited contingent on the completion of a service period until February 2026. Employees opted into the plan in October where payroll deduction were carried out over a 2 month period, and the acquired shares will be issued to participating employees in January 2025.

[2] In 1H FY25, 2,100,000 new shares were gifted to the Nuix Employee Share Trust in order to facilitate transfer of shares to employees in future periods upon the satisfaction of various vesting conditions in their share based payment arrangements.

10. Earnings per share

	For the half-year ended 31 December	
	2024 $000	2023 $000
Basic earnings per share		
Loss after tax for the period	(10,402)	(4,830)
Weighted average number of ordinary shares (basic)	328,859,443	321,565,390
Basic earnings per share (in dollars)	**(0.03)**	**(0.02)**
Diluted earnings per share		
Loss after tax for the period	(10,402)	(4,830)
Weighted average number of ordinary shares (basic)	328,859,443	321,565,390
Effect of share options and performance rights on issue	Antidilutive[1]	Antidilutive[1]
Diluted weighted average number of ordinary shares	**Antidilutive**	**Antidilutive**
Diluted earnings per share	**(0.03)**	**(0.02)**

11. Provisions

	31 Dec 2024 $000	30 Jun 2024 $000
Current		
Liability for annual leave	2,580	2,963
Liability for long-service leave	390	214
Provisions for restructuring	2,250	-
Other current provisions	**5,220**	**3,177**
Non-current		
Liability for long-service leave	253	327
Make good provision	865	912
Other non-current provisions	**1,118**	**1,239**

Provisions recognised during the half year for restructuring activities primarily relate to post-employment benefits and planned redundancies, that have been communicated to those individuals who are expected to be impacted.

[1] In the current and prior period, the conversion of the options and performance rights on issue would reduce the loss per share. Potential ordinary shares are antidilutive when their conversion would reduce loss per share. The calculation of diluted earnings per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. As a result, the effect of share options and performance rights on diluted earnings per share are considered to be antidilutive.

12. Other liabilities

	31 Dec 2024 $000	30 Jun 2024 $000
Current		
Deferred consideration	1,534	1,475
Other payables	1	2,474[1]
Other current liabilities	**1,535**	**3,949**
Non-current		
Deferred consideration	1,449	2,708
Other non-current liabilities	**1,449**	**2,708**

Deferred consideration payable – liability-classified, equity-settled

Deferred consideration represents the amount payable for an acquisition which is time-based, and not subject to ongoing performance conditions.

The deferred consideration is designated as a financial liability measured at fair value and deemed to be a Level 2 measurement of fair value. The measurement of fair value is determined with reference to the market-based discount rates for time value, for known amounts that will be settled at a future date. As part of the assessment at reporting date, the Group has considered a range of reasonably possible changes for key assumptions and has not identified instances that could cause the fair value of deferred consideration to change significantly.

The deferred consideration recognised at 31 December 2024 relates to obligation to deliver to sellers of acquired businesses, a certain US dollar value of shares of Nuix Limited at specific times.

A reconciliation of the movements in fair value measurements of deferred consideration is provided below.

Deferred consideration – liability-classified, equity-settled	31 Dec 2024 $000	30 Jun 2024 $000
Opening balance	4,183	-
Transfers from contingent consideration	-	4,123
Foreign exchange difference	243	-
Unwinding of interest	111	60
Change in fair value estimate	(55)	-
Settlement through issuance of shares	(1,499)	-
Closing balance	**2,983**	**4,183**

[1] Included in the balance for other payables at 30 June 2024 was an amount of $2,174,000 in relation to a reverse factoring arrangement that provides Nuix with predictable monthly payments for insurance premiums covering the period December 2023 until December 2024. This arrangement does not significantly extend payment terms beyond normal terms agreed with other suppliers for insurance coverage that is received and used on a rateable basis.

13. Contingent liabilities

On the basis that the Group has determined the below matters to be contingent liabilities, no liabilities have been recognised in the financial statements in relation to these matters.

ASIC proceedings

As advised to the market on 29 September 2022, ASIC commenced civil proceedings in the Federal Court against the Company (and its directors during the relevant period) alleging that from 18 January 2021 to 21 April 2021, aspects of the Company's market disclosures contravened provisions of the *Corporations Act 2001* and *ASIC Act 2001*. ASIC seeks declarations in respect of the alleged contraventions, pecuniary penalties against Nuix and pecuniary penalties and disqualification orders against the relevant directors.

Nuix has fully cooperated with ASIC during the course of its investigation into these matters. Nuix denies the allegations made by ASIC and filed its defence to the claim on 23 December 2022. The hearing for this matter occurred in November and December 2023 and Nuix is awaiting judgment which is currently reserved in this matter.

Class Action

Nuix is the subject of a consolidated class action in the Supreme Court of Victoria which has been commenced on behalf of persons who acquired interests in Nuix shares in the period between 18 November 2020 and 29 June 2021. The proceeding also names Macquarie Capital and a former Macquarie Capital nominated director of Nuix as defendants in the proceedings.

In essence, the claim alleges that information disclosed in Nuix's Prospectus dated 18 November 2020 and certain market disclosures regarding its forecast FY21 revenue and performance in the period following the Company's IPO in December 2020 were misleading and contravened provisions of the *Corporations Act 2001* (Cth), the *ASIC Act* 2001 (Cth) and the Australian Consumer Law. The claim seeks damages on behalf of Group Members, but no amount of damages has yet been identified.

Nuix denies the allegations contained in the consolidated claim and filed its defence on 4 November 2022. The Second and Third Defendants (Macquarie Capital (Australia) Limited and Mr Daniel Phillips) have also filed defences denying the allegations contained in the consolidated claim. The matter has been set down for a trial commencing 27 July 2026.

Matters where Nuix is the plaintiff

Nuix is the plaintiff in certain matters, and these could result in payment of legal costs if they were to be unsuccessful.

Bank guarantee

The Company has obtained a bank guarantee in the amount of $746,000 (30 June 2024: $746,000) to secure certain obligations of the Company that arise under a commercial property lease.

14. Related party disclosures

Macquarie Corporate Holdings

Macquarie Corporate Holdings has an interest of 29%[1] in Nuix (31 December 2023: 30%), which allows it to exercise significant influence over the Group. As a result, Macquarie Corporate Holdings and by extension all related entities of Macquarie Group Limited, are related parties to Nuix.

Alliance agreement license

In December 2018, Nuix entered into an alliance agreement and software licence agreement (in support of the alliance agreement) with Macquarie Group Services Australia Pty Ltd ('MGS') relating to the unlimited use of certain Nuix software and related support and maintenance for a term of ten (10) years. In December 2021, the strategic alliance was amended confirming a non-cancellable period and related fees until the conclusion of Year 6 of the agreement on 4 December 2024.

In December 2024, the alliance agreement has been further amended, extending of rights to the existing offering of licences to use component based on-premise software and related support and maintenance; and expanding the arrangement to include additional rights to:

- use new on-premise software;
- support and maintenance of the new on-premise software;
- access hosted software; and
- professional services.

In determining the total consideration and the nature of performance obligations for this further amendment to the strategic alliance agreement, management have considered the impact of cancellation rights. As a consequence, the total contractual consideration is determined to be $9,309,129. A further $5,165,095 may be received under the amended agreement if these cancellation rights are not exercised.

An amount of $5,320,682[2] from the further amended alliance agreement has been included in revenue reported during the half-year.

Amounts are yet to be recognised as revenue from delivery of professional services, support and maintenance of on-premise licences, and the provision of access to hosted software, which will be recognised as revenue over the term of the agreement when the services are provided to MGS.

As of 31 December 2024 in the statement of financial position an amount of $3,485,652 is recognised as a trade receivable, and a contract asset of $1,835,030[3] has been recognised reflecting the net balance of unbilled consideration, and revenue associated with undelivered performance obligations.

[1] The actual number of shares held by Macquarie Corporate Holdings is 95,654,262 as of 31 December 2024. This has not changed since IPO. Issuance of new shares to satisfy share-based payment arrangements with employees and to settle consideration relating to mergers and acquisitions, has diluted their holdings over time.

[2] Revenue recognised in the half related to the further amended strategic alliance agreement includes $5,276,145 from the sale of a licence to use on-premise software, and $44,537 from the provision of support and maintenance for on-premise software.

[3] The contract asset of $1,835,030 is derived from the net position of unbilled consideration $5,823,477 ($9,309,129 less the amount billed of $3,485,652), and revenue associated with undelivered performance obligations of $3,988,447 ($9,309,129 less the amount recognised in the period of $5,320,682).

Legal fees claimed under indemnity

Macquarie Capital (Australia) Limited has claimed $4,624,464 (including GST of $227,290) to date in relation to legal fees under the indemnity provided by Nuix Limited to them under the terms of the Underwriting Agreement.

During the half year, an amount of $4,453,902 (including GST of $218,907) has been paid to settle a portion of the amounts claimed (2024: nil) and an amount of $1,245,766 has been recognised as part of the expenses for legal fees relating to regulatory/litigation matters (2024: $1,791,910).

	For the half-year ended 31 December			
	2024 $		2023 $	
	Transaction	Outstanding balance	Transaction	Outstanding balance
Sales and purchases of goods and services				
Sale of licence to related parties	5,276,145	9,309,129[1]	179,023	-
Support and maintenance	147,842[2]	-	119,896	-
Rendering of professional service	10,654	-	-	-
Other arrangements				
Legal fees claimed under indemnity	1,245,766[3]	162,179	1,791,910	1,791,910

15. Dividends

During the half-year, the Directors did not declare an interim dividend (2024: Nil) and have not subsequent to balance date recommended a dividend to be paid (2024: Nil).

16. Events after the reporting date

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

[1] Representing the trade receivable of $3,485,652, and the unbilled consideration to be received under the contract of $5,823,477.

[2] Disclosure for the revenue recognised from provision of support and maintenance to MGS during the half year ended 31 December 2024, includes both a) revenues related to the previous extension of the amended strategic alliance agreement agreed in December 2021 for support and maintenance of $103,305 provided between 1 July 2024 and the end of that licence term on 4 December 2024; and b) revenues related to support and maintenance provided under the further amended strategic alliance agreement from 5 December 2024 till 31 December 2024 of $44,537.

[3] Representing the incremental expense for legal fees relating to litigation matters recognised during the half year. A total of $4,453,902 (including GST of $218,907) was paid to settle balances during the half year.

Directors' Declaration

In the Directors' opinion:

a. The financial statements and notes as set out on pages 11 to 30 are in accordance with the Corporations Act, including:

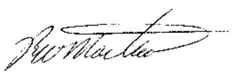
   (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the six month period ended on that date, and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001, and

b. At the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

SIGNED:



Robert Mactier

Chair

Sydney, Australia

24 February 2025

Jonathan Rubinsztein

Director

Sydney, Australia

24 February 2025

Independent Auditor's Review Report

To the shareholders of Nuix Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Nuix Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Nuix Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2024 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2024
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 16 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Nuix Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Trent Duvall

Partner

Sydney

24 February 2025

TAKE OWNERSHIP_ AND FOLLOW UP

RESILIENT_ WE LEARN FROM THE PAST AND ARE OPTIMISTIC ABOUT TOMORROW

UNAFRAID_ TO DO THE RIGHT THING, QUICKLY

TEAM NUIX_ FIRST AND FOREMOST

HERO OUR CUSTOMERS_ AND INNOVATE FOR THEM

nuix

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