Datalex

Annual Report 2023

Transforming Airline Retail

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Strategic Report

Datalex at a Glance

Datalex's purpose is to transform airline retail.

We are a market leader in digital commerce for travel, powering modern digital retailing for airlines.

The Group is headquartered in Dublin, Ireland, with a global presence having customers in Europe, the Americas and China.

Datalex is a publicly listed company on Euronext Growth.

Strong industry credentials

Datalex has led the way for airlines in their direct distribution from the early days of the Internet Booking Engine and continues to provide market-leading digital retailing capabilities that set our customer airlines apart from their competition. Datalex has a strong track record of delivering cutting-edge digital transformation for progressive airline brands.

Where we are going

Datalex's unique selling point is enabling airlines with legacy systems to implement state of the art e-commerce solutions that provide a superior customer experience. Our vision and expertise in truly modern digital retailing is now more relevant and important than ever. Our investment in SaaS, AI and automation is helping to accelerate airlines' digital transformation journeys.

Our products

Datalex's omni-channel products allow airlines to increase the range and scale of revenue generating products and services they can offer to passengers throughout the end-to-end travel lifecycle.

- Datalex Direct
- Datalex Merchandiser
- Datalex NDC
- Datalex China Shopping and Pricing Engine
- Datalex Dynamic
- Datalex Pricing AI

Our strategy

Our strategy is simple.

We empower airlines to deliver a differentiated retailing experience that excites people to book their next trip.

As a challenger in the industry, where others see legacy issues, we see opportunity.

Our strategic pillars:

- Customer at the core
- Product first and future-proofed platform
- People
- Operational excellence
- Commercial strength

Our values

One Team

Perform

Do Right

Results Matter

We Innovate

Our customers

Air transat, Aer Lingus, easyJet, Air China, jetBlue, edelweiss, Trailfinders, Air Macau, KLM, Turkish Airlines

Chairman's Statement

2023 was a year of solid progress and put Datalex in a good position for 2024.

Performance

Customers are at the core of the Datalex business model.

As a sign of Datalex's customers' confidence in both the strength of its products and the service it provides, the Company was delighted to sign a number of contract renewals during 2023. These continuing partnerships with existing customers, including Air China, Air Transat, JetBlue, Edelweiss and Aer Lingus, will enable Datalex to deliver further value to them over the coming years.

The Group was also pleased to continue to sign new partnerships in 2023. Notably, in December, Datalex entered in to a new 5-year partnership with Air Macau for Datalex's Shopping and Pricing product, enabling Air Macau to deliver a superior shopping experience to its customers, with more choice, transparency, and ease of use.

As previously disclosed, the Group signed a strategic partnership with easyJet in December 2022 and encouragingly easyJet went live with Datalex's Merchandising product on time in 2023. This is an important milestone in our partnership with easyJet with many more milestones to follow in 2024 and 2025, unlocking more value both for Datalex and for easyJet.

While the Group was very encouraged by these positive milestones, 2023 was not a year without setbacks. As previously disclosed in September, it was announced that, following an internal strategic review, Virgin Australia's change of priorities with respect to its internal Next Generation Retail programme, impacted Datalex along with several other vendors.

Additionally, in February 2023 Scandinavian Airlines, ("SAS"), filed for Chapter 11 in the United States of America, resulting in them not proceeding with Datalex's NDC product. While these developments were very disappointing and unexpected and had a financial effect on the performance of the business for 2023, Datalex is encouraged by the positive strategic developments across the business during 2023.

Group Funding and Outlook

During 2023, the Board continued its focus on positioning the business to repay the Tireragh Limited loan facility. Significant progress has been made in this regard, most notably with the appointment of a new CEO, the renewal of existing customers and the activation of new customers. The Board is actively working with its financial advisors to advise on and commence an equity fundraising. If successful, this funding will enable the Group to repay its existing loan facility with Tireragh Limited and provide sufficient working capital to invest further in the Group's product roadmap and activation projects, while continuing to compete for new revenue opportunities.

The Board has the support of Mr. Dermot Desmond, the Group's largest ultimate beneficial shareholder, who has confirmed to the Group that he will procure support for the planned equity fundraising. IIU Nominees Limited has also indicated its intention to apply for its pro rata entitlement of any fundraising.

Pending the above, the Company's lender Tireragh Limited, has informed the Group that, in the event that Datalex does not complete its planned equity fundraising, and subject to terms and conditions to be agreed, it will extend the termination date of the existing Tireragh Limited loan facility from 31 December 2024 to 1 July 2025, and provide a new loan facility in the amount of €10 million, if required, increasing the total facility to €25m.

Board and Corporate Governance

The Board remains committed to maintaining the highest standard of corporate governance and continues to operate and develop at all times to meet the needs of the Group now and into the future. As disclosed in the 2022 Annual Report, the Board completed a review of its effectiveness in 2023, and a key priority will be to continue to always monitor its effectiveness in the future.

In June 2023, following Dermot Halpin's resignation from the Board, Gillian French joined as a non-Executive Director, bringing a wealth of expertise to the Board. In June 2023, Dan Creedon stepped down as a Director and CFO of the Company.

In November 2023, Jonathan Rockett joined the Board and Company as Chief Executive Officer. Jonathan has settled in extremely well to the group in his short time and the Board is hugely encouraged for his leadership of the business going forward.

In December 2023, Sean Corkery stepped down as Chief Executive Officer and Director. I would like to take this opportunity to once again thank Sean for his contribution over the course of his tenure.

In April 2024, Steven Moloney joined the Board and Company as Chief Financial Officer. Steven brings a breadth of experience, and I am confident that Steven will be a fantastic addition to the Group as we drive the strategy forward. I would like to thank Noel Walsh for his tenure during the year as Interim CFO of the Company. Noel will be stepping into a new role as VP of Finance for the Group.

ESG

The Board and Leadership team remain focused on Environmental, Social and Governance ("ESG") and how it is embedded into all areas of Datalex's business. *Do Right* is one of Datalex's company values and we always strive to do right for our people, for our customers and for the communities and societies we operate in.

The climate crisis, coupled with the rise of widespread societal challenges, has brought ESG to the fore of the global agenda. Against this backdrop, we recognise the role that businesses must play to demonstrate transparency and action on key ESG issues.

Datalex is not currently in scope for the new reporting requirements made effective by the European Corporate Sustainability Reporting Directive (CSRD), however the Board remains committed to enhancing our ability to report on ESG initiatives in a more granular and transparent manner, in line with the European sustainability reporting standards (ESRS). The Board will continue to consider all new regulations and how they affect Datalex, along with the relevant reporting disclosures required.

Looking Ahead

Overall, while 2023 was a positive year for the airline industry, it was a turbulent year geo-politically and uncertainty remains in 2024. I am confident that the progress made in 2023, along with the Group's proven resilience and ability to respond to uncertainty and challenges that external risks may pose, leaves Datalex well placed for future growth.

Encouragingly, the Group entered 2024 with a strong recurring revenue base and has a solid pipeline of growth that will be unlocked once new customers are activated further.

I am incredibly pleased that Jonathan Rockett has joined as CEO and Steven Moloney has joined as CFO and I am confident that both will be pivotal leaders for Datalex on our next phase of growth. We are now six months into 2024, and both have already made a positive impact. In early 2024, we undertook a full review of our cost base and operating model and have implemented a restructuring programme to address key areas identified. Some of the cost savings achieved from the restructuring programme will be invested back into the business, but the programme will deliver a more sustainable cost base for the business going forward.

Along with my colleagues on the Board, I would like to thank the entire Datalex team for their contribution in 2023. I would also like to thank Datalex's customers and thank you, our shareholders. Finally, I would also like to thank our Board members for their continuing commitment and who continue to work tirelessly on behalf of all the key stakeholders.

We look forward to building on the progress achieved in 2023 to drive sustainable growth in the future.

David Hargaden
Chairman, Datalex

19 June 2024

Chief Executive Officer's Review

In what is my first period in review, I would like to start out by thanking the Board, Chairman and the team, for giving me the opportunity to become the Chief Executive Officer of Datalex during this pivotal period.

In my six months in the business, I am struck by the commitment of the team and strength of the business offering and I see enormous potential for Datalex. The progress made in 2023 is just the start of the rebuild of Datalex as a market leader in the airline technology market.

Customers

At Datalex, customers are at the heart of everything we do.

In 2023, Datalex signed a number of long-term renewals with its existing customers that have set a solid foundation for future growth. We are particularly pleased that as part of the renewal process, Aer Lingus, Edelweiss and Air China will be migrating to Datalex's newest platform products. These renewals, along with the related investment by these airlines to migrate to Datalex's latest product suite, are not only a testament to the value of our long-standing partnerships with customers, but also a vote of confidence in where Datalex is bringing its products over the next 3 - 5 years.

Additionally, Air Transat signed a new deal which includes a continuation of their existing product solutions combined with Datalex continuing to provide further capability to them over the partnership to enable them to achieve their growth strategy and retailing ambitions. JetBlue also extended its partnership with Datalex for the maintenance of existing services.

April 2023:

- Announced renewal of partnership with Air China and migration to latest product suite
- Announced renewal of partnership with Air Transat

May 2023:

- Announced renewal of partnership with JetBlue
- Announced renewal of partnership with Edelweiss and migration to latest product suite

October 2023:

- Announced renewal of partnership with Aer Lingus and migration to latest product suite

Setting new foundations with new customers

It is hugely positive that the Group has continued to sign new customers over the past 18 months. It is a validation of the solution that Datalex provides to the airline market and also proof of Datalex's ability to win in its market.

Following the signing of easyJet in December 2022, the execution of this activation project was a significant focus for the Group in 2023. EasyJet went live with Datalex Merchandiser in December 2023, which was a big milestone, but it represents only the start of the overall project and 2024 will see the pace of activation increase as we roll out a combination of existing and new innovative capabilities to one of the largest airlines in the world.

In 2023, we signed an agreement with LATAM Airlines. Although the project achieved its primary endpoints, we have agreed that this solution will not be part of LATAM Airlines' or Datalex's short term priorities and will not proceed. We derived significant value and insight from this project and will continue to invest in co-innovation projects with airlines, where we see strategic areas of opportunity and a joint return on investment.

In December 2023, we announced a new partnership agreement with Air Macau who will also go live with Datalex's shopping and pricing product. We look forward to being a strategic enabler for Air Macau on their digital transformation journey in the forthcoming year as Air Macau and Macau more generally establishes itself on the map as a leisure destination.

Despite this momentum with new and existing customers, in February 2023 Scandinavian Airlines cancelled their contract with Datalex, triggered by their Chapter 11 restructuring process. In September 2023, Datalex's programme with Virgin Australia was ended. These contracts represented $3.5million of revenue that was recognised in 2023.

Performance

In 2023, the Group achieved revenue growth of 23%, with total revenue increasing from $23.5m in 2022 to $28.9m in 2023.

Positively, platform (including hosting) revenue increased by 17% from $11.1m in 2022 to $12.9m in 2023. This increase is primarily attributable to increased transaction volumes as Datalex was able to capitalise on the airline industry continuing to pick up pace globally throughout the year.

Services and Other revenue increased by 29%, from $12.4m in 2022 to $16.0m in 2023. This increase is primarily attributable to the increased volume of activation & implementation projects that occurred in 2023.

Our operating costs before exceptional items increased by $0.3m in 2023. A large driver of this increase was additional headcount costs associated with delivering the increased volume of activation work that was undertaken in 2023, in comparison to the prior year.

We are reporting an adjusted EBITDA loss of US$2.9m for 2023. This represents a material improvement versus the prior year (EBITDA loss US$5.3m in 2022), and it is our ambition to return to generating positive EBITDA in 2025.

From a cash perspective, we closed the year with a cash balance of US$5.8m, which is US$0.8m less than the closing balance as at the end of 2022. It is the Group's intention to complete an equity fundraising to raise sufficient capital, net of expenses, for the repayment of the Tireragh Limited loan facility, including related interest charges, along with providing the Group with sufficient working capital to invest in its product roadmap, the activation of new customers and securing new revenue opportunities. We have engaged with financial advisors, and we look forward to updating the market in due course.

Strategy

The renewals of key customer accounts in 2023 not only increased Datalex's recurring revenue base for the medium term, but also enabled the Group to move its customers to the Group's streamlined revenue model. This revenue model comprises a balance of license fees and transaction fees for air and ancillary products. The transaction fee component enables Datalex to participate in the growth of airline volumes as the industry grows, but also ensures that Datalex is incentivised to continue to bring product capability to airlines that enables them to increase their air and ancillary revenues.

2024 will be the first year where we go-live with our new platform. This will see a focus on activation and migration projects on the back of a highly successful year of customer renewals which includes the migration of Aer Lingus, Edelweiss and Air China to our new product platform, along with easyJet and Air Macau, who will also take our latest product suite. While we are in this period of heavy activation, services revenues will remain elevated in proportion to platform revenue. However, as customers go-live with further capability and products from our product portfolio, this services revenue will shift to higher-margin platform revenue.

In addition to top-line growth driven by transaction revenue growth (in line with the industry recovery and new customers going live), bottom-line growth is also a priority as I look ahead. As we grow, we need to ensure that we are scaling our cost-base in line with our business model and strategy. In addition, we will also seek to ensure that we continue to focus on operational excellence across all areas of our business. To this end, we have started to roll out changes in 2024 to optimise our operating model to drive efficiency and streamline delivery.

In terms of our medium to longer-term strategy, our focus is, and will continue to be, on providing offer and order management e-commerce capabilities that generate significant value for airlines. Unlocking the value creation opportunity from offer and order management will continue to be a significant priority for airlines. Many airlines are currently assessing and planning how they can move their dependency away from legacy reservation systems and Datalex is strongly positioned to support airlines that are looking to embark on this transition. In addition to this, we will continue to examine adjacent areas of opportunity where Datalex could expand its offering to bring additional benefits to our customers and create additional upside for the Group.

Looking Ahead

I have been really encouraged by the level of passion and commitment I have seen across the business since I joined in November 2023. The Datalex team is focused on delivering value to its customers. This is a significant strength, as 2024 will be another year where we remain focused on delivering activation and transformation projects for our customers. These projects will be another stepping stone for our turnaround leading to sustainable and long-term growth.

I am more excited than ever about Datalex's products and opportunities and look forward to working alongside my committed colleagues to maximise our potential into the future.

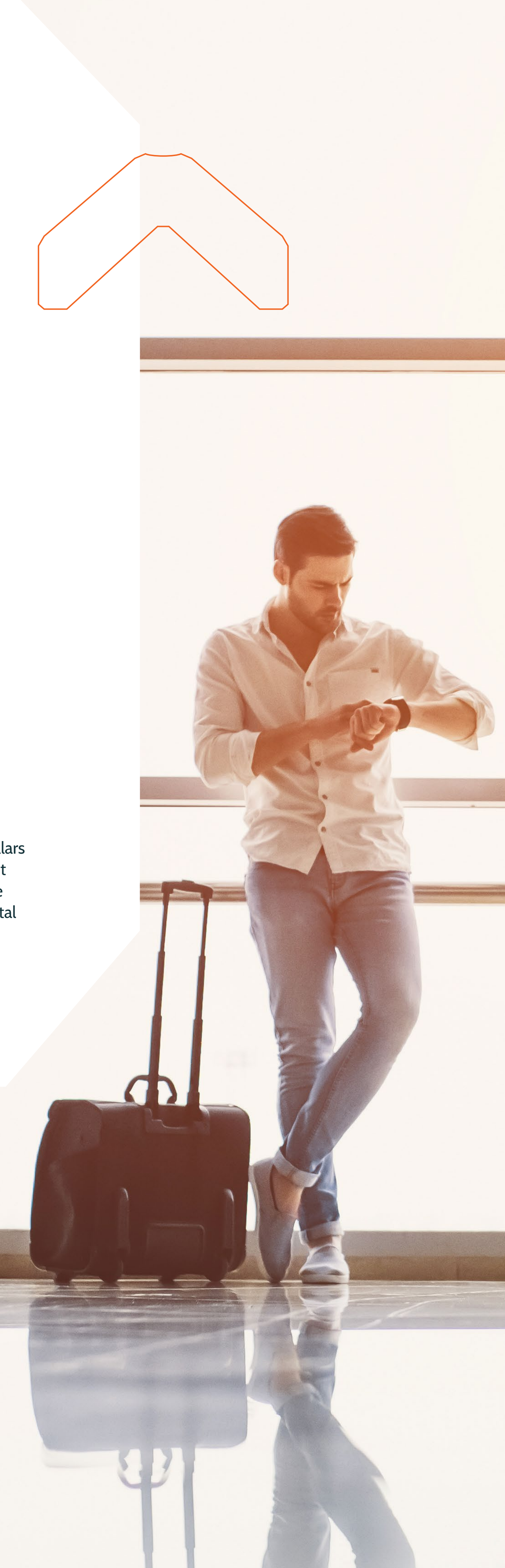
Jonathan Rockett
Chief Executive Officer Datalex

19 June 2024

"The progress made in 2023 is just the start of the rebuild of Datalex as a market leader in the airline technology market."

Jonathan Rockett
Chief Executive Officer, Datalex

Our Strategy



Our strategy is to drive accelerated and sustainable growth by empowering airlines to deliver a differentiated retailing experience. As a challenger in the industry, where others see legacy issues, we see opportunity.

Our strategy is underpinned by five strategic pillars aligned to our ambition to be the best and most trusted partner for airlines that want to increase their retailing revenues and deliver a better digital customer experience.

We set priorities and measure progress against each of these strategic pillars.

Strategy Going Forward

Our core strategy is focused on delivering growth from our offer and order management product portfolio.

At Datalex, we remain focused on becoming the leading e-commerce partner for airlines. Our core strategy is focused on delivering growth from our offer and order management product portfolio whilst simultaneously ensuring we are optimising our business to maximise long-term value creation for our customers and our shareholders.

Discover more about our Offer and Order products on page 16.

1. Growing our core business

Datalex's products enable airlines to optimise every digital touchpoint for airline passengers and as a result grow their revenue. We believe that the demand from airlines for products that unlock additional revenue per passenger will remain strong.

In addition to this, the airline industry is embarking on a digital transformation journey to modernise its underlying distribution and IT infrastructure. The industry refers to this journey as the move to "Offers and Orders". The industry target from this digital transformation is to create an additional value of $7 per passenger (or 3% - 4% of airline passenger revenue).[1] This value creation is driven by generating additional revenues from retailing and by lowering commercial IT costs.

Offer and order management is part of Datalex's DNA - Datalex's core product portfolio is comprised of offer and order products. At Datalex, our focus is, and will continue to be, on being the leading Offer & Order partner for airlines, by giving airlines the capabilities they need to maximise their e-commerce revenues.

Datalex's offer and order management products are already proven at scale with leading airline brands (see page 5 for a full list of our customers). Datalex is well positioned to win new airline customers who are looking to unlock immediate value from optimising their offer and order management capabilities.

2. Optimising our core business

As we grow, we will continue to focus on ensuring that we are creating operating leverage, optimising opportunities for margin expansion and constantly evaluating how we can make incremental improvements and create efficiency across all areas of our business.

In 2024, we have made changes to our operating model, including carrying out a full review of our cost base and delivery model. We have implemented a restructuring program to address some of the key areas identified. We will continue to refine our operating model and continue to focus on how we can create efficiency and productivity across all areas of our business as we grow and scale.

3. Adjacent opportunities

We will continue to examine adjacent growth opportunities where Datalex has a 'right to win'. We will focus on growth opportunities that bring additional benefits to Datalex's existing customers, align to Datalex's core capabilities and expand the Group's addressable market. These opportunities would create additional upside growth opportunity for Datalex.

Key challenges are outlined in the risk report on page 30

1 IATA, Modern Airline Retailing – A Business Case, March 2023

2023 Strategy in Action

Product first & future proofed platform

Our product-led strategy and investment in our platform is key to unlocking our growth potential and is central to our customer acquisition, retention, and development plans.

Examples of progress in 2023:

- Signed Air Macau as a new customer.
- We developed Dynamic Bundling capability, which will drive significant value for airlines by enabling them to increase their revenues.
- Datalex Pricing AI was used in production with an airline for a trial period, which saw a revenue uplift between 2% and 4%.

Looking forward

- We will continue to invest in our products and platform as they continue to be endorsed in the market.
- Our priorities from a technology perspective will be across three areas:
  - Focus on investing in product functionality that unlocks significant value creation opportunities for airlines.
  - Focus on scalability and performance to build out cost effective solutions at scale.
  - Continued modularisation of our platform, to further take advantage of our cloud-native application architecture.

Our People

Our people drive every part of our success.

Examples of progress in 2023:

- Datalex was certified as a Great Place to Work in Ireland for the fourth year in a row, reinforcing the brilliant culture we have cultivated.
- In collaboration with the IMI (Irish Management Institute), Datalex created a bespoke leadership course for leaders and managers in Datalex. This training programme was rolled out with another cohort of managers in 2023.
- Datalex continued to attract and hire new talent in 2023, including the appointment of Jonathan Rockett as Chief Executive Officer in September 2023.

Looking forward

- We will continue to invest in our culture and the Datalex DNA to provide an environment where people are empowered to bring their best whilst also creating an enjoyable employee experience.
- We will continue to hire new talent and build the capability required to execute our strategy.
- We will continue to invest in training and development opportunities to empower our employees to reach their career goals and grow personally and professionally at Datalex.

Customer at the Core

Customers are at the core of all that we do at Datalex. Retention of existing customers and acquisition of new customers is the primary driver for sustainable growth. Customer execution and delivery is crucial.

Examples of progress in 2023:

- Following the signing of easyJet in December 2022, easyJet went live with Datalex Merchandiser in December 2023.
- Datalex signed a number of long-term renewals with its existing customers throughout the year, including Air China, Air Transat, JetBlue, Edelweiss and Aer Lingus.
- Datalex signed Air Macau as a new customer.

Looking forward

- Datalex will continue to attract and add new customers.
- A large area of focus in 2024 will be the activation of customers signed in 2022 and 2023.
- Datalex will continue to be a trusted business partner, delivering valuable capability, guidance and expertise on-time and on-budget to its customers.

Commercial Strength

In pursuing our growth and strategic objectives, we will only do so if an opportunity has commercial viability in the long term.

Examples of progress in 2023:

- Contract renewals in 2023 were executed under the Group's streamlined revenue model.
- The Group significantly increased its total revenue under contract during 2023.

Looking forward

- We will continue to focus on winning new customers and increasing the Groups' total revenue under contract.
- The Board has engaged financial advisors with the intention of raising capital in 2024 to strengthen the Group's balance sheet.

Operational Excellence

A lean and efficient operating model, with the right processes, structure and measures in place is important to support scale and future growth.

Examples of progress in 2023:

- We focused on how to make improvements and efficiencies across our business and in particular, in how we activate our products for new customers.

Looking forward

- We will continue to make operating model improvements to promote efficiency and support future scale.
- We will continue to strengthen process efficiencies through process optimisation projects and initiatives to streamline operations.
- We will explore AI productivity tools to streamline and accelerate development and testing of our product.
- We will continue to build a high-performance culture.

Our Products

An industry leading Offer and Order product portfolio positions Datalex for continued growth.

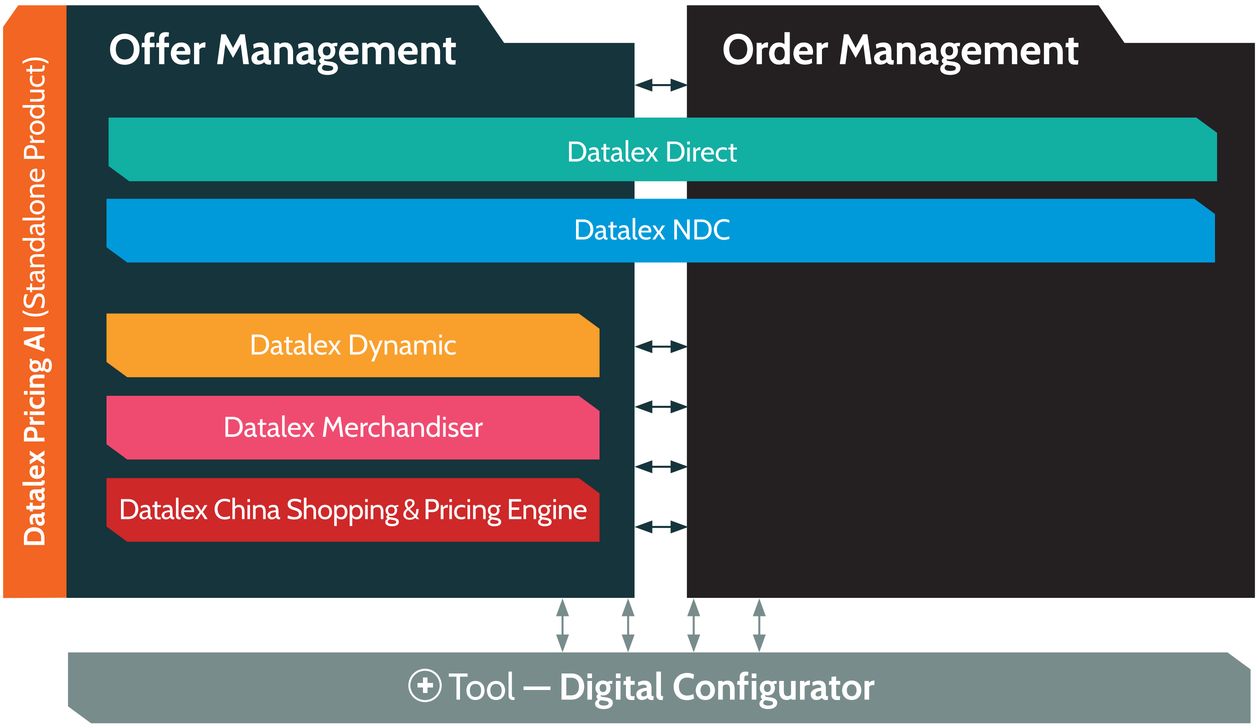
Datalex's offer and order management products enable airlines to optimise every customer interaction and grow revenue per passenger. Our products enable airlines to consolidate their digital proposition with unified offers and orders that can be achieved through our single merchandising layer digitalising every touchpoint of the customer journey.

Customer centric, modern digital retailing products unlocking real value for airlines.

Datalex Product Offering

Datalex Direct is an innovative, customer-centric digital commerce product for travel retailing via airlines' direct channels. Datalex encompasses the full offer and order flow, providing digital airline retailing excellence at every touchpoint. It enables airlines to increase revenue by offering their customers a smoother direct booking experience, across all touchpoints and devices. Datalex Direct allows for great flexibility and customisation to meet the needs of each airline while permitting rich and differentiated content management, dynamic offers, seamless order management and digital payments.

It ensures airlines have more direct customer engagement at the point of sale, which is key to driving increased demand and high value revenue. The Datalex Dynamic and Datalex Merchandiser products that focus on dynamic offer and ancillary product offerings respectively, are key optimisation levers that airlines can utilise to drive additional revenues through the direct channel.



Products for Total Offer and Order Management Optimisation

› Datalex Direct

Powering retail excellence and omni-channel revenue for the digital airline.

> Airline Need <
Airlines want to optimise every customer interaction on their direct channels. By leveraging with cutting-edge digital technology, airlines can ensure their customers have a smooth and frictionless booking experience across all touchpoints and devices. This is vital not only for a great customer experience, but also to capture a deeper share of wallet across the end-to-end travel journey.

> Datalex Product Offering <
Datalex Direct is an innovative, customer-centric digital commerce platform for airlines' direct channels, encompassing the full offer and order booking flow. This product enables airlines to increase revenue by offering their customers better and more tailored offers while also enabling a smoother booking experience, across all touchpoints and devices. Datalex Direct allows for great flexibility and customisation to meet the needs of each airline while permitting rich and differentiated content management, dynamic offers, seamless order management and digital payments.

› Datalex NDC

(NEW DISTRIBUTION CAPABILITY)

Complete control of your indirect channel

> Airline Need <
Airlines need full offer and order management capabilities to enable a consistent customer experience across indirect channels, in line with the IATA NDC travel industry standard. NDC is an evolving IATA industry standard for the distribution and retailing of flight content applicable to airlines, aggregators, and travel agencies.

> Datalex Product Offering <
Datalex NDC ensures airlines can have greater control over their indirect distribution strategies and can manage indirect channels at the same pace as their direct channels, adjusting content and pricing of offers continuously and consistently across both. Datalex NDC is a market leading NDC product which offers airlines full NDC offer and order management capabilities to control, optimise and differentiate offers and to enable a consistent customer experience across all sales channels. In 2022, Datalex was one of the first technology providers to achieve the IATA ARMi certifications for continuous pricing and dynamic price determination capabilities in airline retailing, which further cements Datalex market leadership in advanced airline retailing across all channels. We have adopted the latest IATA 21.3 version of NDC in 2023, and we currently have two active customers deploying our NDC product.

Products for Offer Optimisation

› Datalex Merchandiser

Ancillary revenue optimisation: merchandise everything beyond the seat

> Airline Need <
Airlines are consistently searching for new ways to generate a deeper revenue by offering consumers the products they want, when they want to buy them. The ability for airlines to unlock revenue beyond the seat by monetising the sales of ancillaries across the travel lifecycle is vital. It also presents the opportunity to capture traveller loyalty by owning more aspects of the trip beyond just the flight.

> Datalex Product Offering <
Datalex Merchandiser powers customer-centric merchandising across any channel and every touchpoint, generating significantly increased ancillary revenue and optimising traveller engagement at every point in their journey. It is a dedicated ancillary product for airlines to focus on everything that can be merchandised beyond the seat.

In 2023, Datalex activated this product for easyJet. Our differentiated digital configurator continued to evolve in 2023 adding ancillary bundles, dynamic bundles and additional promotion capability during the year.

› Datalex China Shopping & Pricing Engine

Leading digital retail in China

> Airline Need <
Chinese airlines need greater international reach and a leading solution to provide the international fares for their own and partner airlines' flights, to deliver a more complete and an enhanced shopping experience with higher conversion. They also need a viable alternative to a dominant market player.

> Datalex Product Offering <
The Datalex China Shopping & Pricing Engine is a standalone air shopping and pricing solution that is specifically designed for Chinese airlines, which facilitates a superior shopping experience with more flight choice, price transparency and ease of use. It ensures Chinese airlines can source and present both domestic and international fares with the most relevant, clear and widest choice of offers and prices – delivering an enhanced shopping experience with a higher conversion. In 2023, Datalex announced its new partnership with Air Macau – becoming the latest customer for Datalex's China Shopping & Pricing Engine.

Products for Offer Optimisation (Continued)

› Datalex Dynamic

Optimised offers and dynamically determined bundles

> Airline Need <

Delivering the right offer, to the right customer, at the right time, at the right price and through the right channel is essential. Airlines need to improve the booking experience by providing relevant offers to each traveller. To do this, airlines need the ability to strategically adjust and personalise offers, dynamically matching products with different customer types which will help achieve higher conversion rates and increase customer satisfaction. Airlines currently have limited dynamic bundling capabilities, due to the legacy process relating to static filed fares.

> Datalex Product Offering <

Datalex Dynamic powers sophisticated offer creation and optimisation capabilities allowing airlines to build customer-centric, contextualised and personalised offers for both air and non-air ancillaries – enabling airlines to differentiate with more retailing options and offers that drive increased revenues. It leverages Datalex's personalisation engine – Datalex Persona – for contextualisation and segmentation to predict and personalise offers. Through Datalex Dynamic, airlines can access our dynamic bundling capability which enables the airline to create dynamic fare families which enables airlines to 'stretch the offer' by adding ancillaries seamlessly to any fare.

› Datalex Pricing AI

True AI-powered, customer centric pricing

> Airline Need <

For too long, an airline's ability to dynamically change flight prices has been restricted by traditional pricing processes and technology. Rules-based revenue management processes have taken over in recent years, attempting to overcome these constraints, but this isn't a reactive or optimal foundation for the future of airline pricing. AI powered pricing is needed so that airlines can differentiate with more customer centric pricing, adapt pricing in real-time and remain consistently competitive.

> Datalex Product Offering <

Datalex Pricing AI is an AI-powered, real-time pricing product that enables airlines to move beyond fixed fare classes to a customer-centric world in which pricing never sleeps and dynamic price tags are continuously generated and aligned with market conditions and customer needs in real-time. It empowers airlines to build competitive advantage by differentiating through data in real-time and at scale. In 2023, this product was used in production for a trial period, which saw a revenue uplift between 2% and 4% for the airline during that period.

Our Stakeholders

At Datalex, we are committed to creating value for our stakeholders – our people, our customers, our shareholders and our communities.

We understand the importance of and are committed to ongoing and constructive engagement with all our stakeholders.

Our people

Datalex prides itself on creating an environment conducive to creating professional and personal growth, agility and creativity. Nurturing and developing talent is key for us to achieve our ambition to become the leading e-commerce partner for airlines.

Culture and engagement

Nurturing our culture and ensuring strong engagement with our people is vital to our success as a Company.

Datalex prides itself on creating an agile, creative and rewarding work environment that fosters professional and personal growth. A workplace where we put our core values of One Team, We Innovate, Results Matter, Do Right and Perform, into practice every day.

Open dialogue, communication and feedback is really important for nurturing our culture and engagement.

Throughout the year, we held regular virtual All Hands meetings and continued quarterly communication events to bring all employees together for in-person events. For remote locations, we adapted these events and held them virtually.

We regularly celebrated excellent performance in line with our values through our 'Kudos' peer-to-peer recognition programme, which enables employees to acknowledge each other's performance, and to celebrate achievements. This initiative has been a great way to recognise our employees as well as reinforce our culture.

We have also continued to ensure that we capture employee feedback and use this feedback to continuously improve.

In October 2023, we again launched the Great Place to Work (GPTW) Trust Index Survey in Ireland to secure employee feedback. In February 2024, we were delighted to announce Datalex as a 'Great Place to Work' certified Company in Ireland for the fourth year running.

Additionally, based on the combined results of the survey in October 2023 and a Culture Audit, Datalex has also been awarded Best Workplaces™ in Ireland in 2024. We are proud to achieve this status again along with receiving the actionable feedback and insights from employees.

"We are proud to be certified, for the fourth year running, as a Great Place to Work in Ireland. At Datalex, we pride ourselves in creating a rewarding, agile, and creative environment that encourages teamwork, partnerships and innovation, and empowers our employees to perform at their best. We are passionate in our mission to drive e-commerce innovation within the airline industry and our biggest asset is our team who share this same view."

Jonathan Rockett, Datalex CEO

Our Values

Our Company values are the guiding principles which underpin how we work together as a team and individually in order to achieve business goals. Our values are measured through our performance management process and embedded in all that we do.

One team

We are one team committed to a common purpose, clear goals and high-performance. Everyone understands that we need each other to collectively achieve our shared ambition.

Do Right

We always endeavour to do what is right, to adhere to the highest standards of conduct and behaviour, to lead by example and to make hard decisions. We keep our promises and commitments to our customers and to each other.

Results Matter

We are responsible for business-critical enabling technology for our customers. We make a significant positive impact on their commercial performance. What matters most is that we deliver in line with their expectations and our promises.

Perform

We have a motivating purpose. We have audacious goals and objectives. We know what work needs to be done. We must perform and deliver what is expected by all our stakeholders.

We Innovate

We innovate, create, and generate solutions for our customers. We solve complex problems by imagining what 'possible' can look like. We do this in an efficient and resourceful way.

Learning and development

Our success is driven by our people and it is a priority that we enable our employees to further their learning and development at Datalex.

One of the most impactful programmes we have completed in recent years is the 'Datalex LT2 Leadership Training' programme which we developed with the Irish Management Institute (IMI). This programme was rolled out with another group of employees in 2023. The programme enables us to greater enhance the leadership capability of our senior leaders, managers, and high performers across the business. The programme also focuses on the required capability for growth.

In 2023, we also continued to provide employees with the opportunity to learn and develop their skills. We continued our Lunch and Learn programme with events hosted by industry partners and employees on a variety of relevant topics including sessions on our products, strategy, innovation, leadership, technology and wellness.

Diversity

Datalex is committed to creating an inclusive environment where diversity is valued in all its forms. Creating and sustaining a diverse and inclusive culture is core to our purpose. We endeavour to ensure that our talent and hiring process is fair. Equally, we are committed to ensuring that every employee can continue to develop and succeed at Datalex regardless of age, status, gender, ethnicity, or any other grounds on which discrimination is outlawed by the Employment Equality Acts.

In our 2023 engagement survey, an average of 91% of employees indicated that they feel people are treated fairly from a diversity and inclusion perspective, which remained consistently high with 2022 (92%).

As of 31 December 2023, women made up 26.2% of total employees, 22.2% of the Executive Leadership Team and 25.9% of senior management (top two levels) in the Group. Throughout the Group, 21 nationalities are represented within our workforce.

We also took pride in celebrating initiatives including International Women's Day, Pride and World Mental Health Day in 2023 along with holding monthly wellness events.

Health and wellbeing

Supporting employee health and wellbeing has been a key priority. In 2023, we built on our policies and initiatives to support the Health and Wellbeing of our employees. This included:

Mental Health First Aid Programme

In 2023, we continued to train employees as Mental Health First Aiders (MHFA's) by Mental Health First Aid Ireland and now have 10 Mental Health First Aid Team Members across three locations (2022: 9).

Mental Health First Aid (MHFA) is the initial help given to an employee, friend or family member who may be developing a mental health problem or who is in a mental health crisis. The MHFA course teaches our employees, who volunteer for the programme, how to assist someone who is developing a mental health problem or in a mental health crisis. The first aid is given until appropriate professional support is received or until the crisis resolves. We have MHFA's based in our Dublin, Manchester and Beijing Offices to ensure that there is widespread support.

Headspace App

Datalex continues to provide Headspace Plus Memberships to all employees. This benefit offers proven mindfulness programmes for employees to support them in achieving their best work by reducing stress factors that may exist in our professional or personal environments.

Datalex WellBeing Hub

In 2023, we continued to update the Datalex WellBeing Hub, a rich online resource specifically for Datalex employees to support their health and wellbeing. The hub includes wellbeing webinars, access to information on the Headspace app and the Employee Assistance Programme.

Code of Conduct / Whistleblowing Policy

All colleagues are expected to abide by our general Code of Conduct, which outlines specific principles of behaviour everyone is always expected to follow, in the key areas of integrity, confidentiality, lawful behaviour and disclosure of interests. We are committed to ensuring and maintaining an environment that is free from bullying and/or harassment and where the dignity of every person at work is respected and upheld.

We implemented a Whistleblowing Policy that sets out how a colleague can raise a concern, the way the Group will respond, and how the rights of colleagues who raise a concern, and those who are the subject of reports, are to be protected. We have an independent whistleblowing hotline that any employee can access confidentially should they not feel safe reporting a concern internally.

Our customers

Our customers are at the core of what we do and are fundamental to our success. We remain fully focused on actively working with our customers to support them achieve their digital retail ambitions and to help them unlock value from our products.

Feedback from our customers is critical to ensure that our products solve their business needs today and equally to ensure that our products and roadmap will help solve their business needs of the future.

To this end, the Group engages with customers on multiple levels and communicates with customers frequently via a range of forums and channels such as Product Strategy & Roadmap sessions and regular account check-ins throughout the year.

Our shareholders

The Board recognises the importance of engaging with all shareholders and values regular dialogue. The Group prioritises effective dialogue with shareholders to ensure that we capture and embrace feedback relating to areas of interest and areas of concern, and to ensure that our obligations are met. During 2023, as well as other regulatory announcements, we provided regular updates to the market as relevant.

We are committed to fostering long-term relationships with our shareholders through transparent communication. Our Company Secretary is available to shareholders, and our Lead Independent Director and Chairman are available to shareholders through our Company Secretary if required. The Group welcomes queries via telephone, post, or email and up to date contact details are available on the Group's website, www.datalex.com. The website also provides an archive of all relevant shareholder communications, financial results and updates, and a history of the Company's share price. Attendance by, and questions from, shareholders at the Company's general meetings are welcomed by the Board. The Board also encourages shareholders to make use of their votes at all general meetings.

Our communities

Corporate Social Responsibility

Datalex is committed to social responsibility.

We believe that our social impact begins with living by our values in our interactions with our customers, our suppliers, our shareholders and with the global communities in which we operate.

We have a thorough on-boarding process with our suppliers, designed to ensure that we select suppliers who share our views on social impact and the importance of operating responsibly.

Sustainability

The direct relationship between global climate change and greenhouse gas emissions continues to be reinforced by data, and as a result, reducing our greenhouse gas emission and carbon footprint continues to be a key focus at Datalex. We are aware of our close proximity and relationship with the aviation industry which by its nature is a significant contributor to CO2 emissions. We are cognisant of this fact and strive to reduce our impacts on the environment wherever possible. Whilst we did not measure our carbon emissions generated from our operations in 2023, we plan to do so in the future to ensure that we are making meaningful progress in reducing our carbon footprint.

In 2023, we continued to strive to reduce our carbon footprint through a number of initiatives including:

- Choosing cloud partners that have shared sustainability goals
- Continuing to integrate with a carbon offsetting provider so that our customers can offer a carbon offsetting option to their customers as part of their booking flow
- Reducing paper usage
- Sourcing recyclable or degradable office supplies where available
- Using low energy lighting
- Providing reusable water bottles and coffee cups for all office staff to reduce plastic consumption

Financial and Operational Review

With 2023 being a turnaround year for the aviation industry, we established solid foundations for continued growth in the years to come, having renewed several partnerships with key customers during the year.

Having previously forecast 2023 revenue growth of 15% year-on-year for the Group, which was disclosed in the H1 2023 Interim Financial Report RNS, the resilience of the airline industry positively impacted business performance, resulting in 23% growth overall. We are confident going into 2024 that both existing and new customers will continue to invest in the technology Datalex offers to the market.

A notable important milestone was achieved for the business with the signing of Air Macau at the end of 2023, strengthening our position in the Chinese market. Having previously signed easyJet as a new strategic customer in 2022, the business saw positive renewals across other core customers, including Aer Lingus, Air Transat, Air China, JetBlue and Edelweiss. In 2023, we signed an agreement with LATAM Airlines. Although the project achieved its primary endpoints, we have agreed that this solution will not be part of LATAM Airlines' or Datalex's short term priorities and will not proceed. We derived significant value and insight from this project and will continue to invest in co-innovation projects with airlines, where we see strategic areas of opportunity and a joint return on investment.

Investment in product development remained a core focus during the year, with a focus on enhancing our existing customers' digital product portfolio, along with planned implementations for new customers.

Our operating costs before exceptional items increased by $0.3m in 2023. A large driver of this increase was additional headcount costs associated with delivering the increased volume of activation work that was undertaken in 2023.

We are reporting an adjusted EBITDA loss of US$2.9m for 2023. This represents a material improvement versus the prior year (EBITDA loss US$5.3m in 2022), and it is our ambition to return to generating positive EBITDA in 2025.

The Group's Consolidated Financial Statements and the Parent Company's Financial Statements have been prepared on a going concern basis, which assumes that the Group and Parent Company will be able to continue in operational existence for the foreseeable future. The Group and Parent Company has prepared a strategic plan and performed a detailed going concern assessment for a period of one year from the date of the approval of the Consolidated Financial Statements. The Board is of the opinion that Datalex is a viable business and is a market leader.

Key Financial Results

	2023 As Reported US$'M	2022 As Reported US$'M
Platform revenue[(1)]	12.9	11.1
Services revenue	14.1	11.2
Consultancy revenue	0.9	1.2
Other revenue	1.0	-
Total revenue	28.9	23.5
Operating costs before exceptional items[(2)]	35.3	35.0
Exceptional costs (including income tax)	0.8	0.3
Adjusted EBITDA[(3)]	(2.9)	(5.3)
Foreign exchange loss	0.3	0.1
Foreign currency adjusted EBITDA[(4)]	(2.6)	(5.2)
Loss after tax	(9.0)	(11.5)
Cash and cash equivalents	5.8	6.5
Cash used in operations	(6.9)	(3.3)
Net working capital[(5)]	(16.8)	(8.5)
EPS – basic (cent)	(6.80)	(8.65)
EPS – diluted (cent)	(6.80)	(8.65)

(1) Platform revenue is earned from the use of the Group's Digital Products by our customers. See Note 18.

(2) Operating costs are as stated in Note 19. Amounts are stated before separately disclosed exceptional items.

(3) Adjusted EBITDA (Note 18) is defined as earnings from operations before (i) interest income and interest expense, (ii) tax expense, (iii) depreciation and amortisation expense, (iv) share-based payments cost and (v) exceptional items (see Note 23).

(4) Foreign currency adjusted EBITDA (Note 18) is defined as Adjusted EBITDA (Note 18) after the impact of foreign exchange and includes movements on Euro denominated trade receivable balances which were fully provided for at the end of 2019.

(5) Net working capital is calculated as current assets less current liabilities. The current assets and current liabilities subtotals can be found in the Consolidated Statement of Financial Position on pages 94 - 95. Narrative reconciling the movement in the net working capital is detailed in the "Cash and Financial Position at 31 December 2023" commentary on page 28.

Revenue

Platform revenue

Platform revenue of US$12.9m was up year-on-year by US$1.8m or 17%. The increase is attributable to materially increased transaction volumes, most notably in Asia but also globally during the year. Platform revenue consists of:

Licence revenue of US$11.5m (2022: US$10.1m) and Managed Services/Hosting of US$1.4m (2022: US$1m).

Services revenue

The overall services revenue of US$14.1m increased by 25% from US$11.2m in 2023 as a result of several new customer implementations during the year, evidencing a strong year for activation projects.

Consultancy revenue

Consultancy revenue of US$0.9m decreased by 27% from US$1.2m in the year because of a shift in focus with existing customers to prioritise alternative revenue streams.

Other revenue

Other revenue of US$1.0m reflects revenue attributable to termination fees that will not carry forward into the next fiscal period.

Operating costs

Our operating costs (before exceptional items) increased by US$0.3m to US$35.3m (2022: US$35.0m).

The main driver of the increase was down to increased headcount costs to facilitate additional implementations and increased service revenue, offset by reduced amortisation of deferred fulfilment costs in 2023. A detailed breakdown of expenses by nature is disclosed in Note 19.

We recorded an adjusted EBITDA loss of US$2.9m in 2023 which compares to an EBITDA loss of US$5.3m in 2022. Foreign currency adjusted EBITDA loss of US$2.6m in 2023 compares to a loss of US$5.2m in 2022. The reduced EBITDA loss is largely attributed to increases in revenue year-on-year as outlined above, offset by a small increase in operational costs (before exceptional items and excluding interest costs).

During 2023, we continued to invest in production innovation and the development of new solutions for use by our customers. We capitalised US$ 1.3m of costs associated with product development (2022: US$2.4m).

Cash and financial position at 31 December 2023

Our cash and short-term investments at 31 December 2023 totalled US$5.8m (2022: US$6.5m). A net cash outflow from operations (US$6.9m) and outflows to fund product development (US$1.4m) were offset in part by proceeds of borrowings (US$8.6m), contributing to a decrease in cash of US$0.8m during the year.

Throughout the year, we continued to maintain tight control over our cash management. We conducted regular updates of cash forecasting and ensured very close links between our finance and customer facing teams.

Reconciliation of loss after tax to adjusted EBITDA and Foreign currency adjusted EBITDA

	2023 US$'000	2022 US$'000
Loss after tax	**(9,020)**	**(11,464)**
Adjustments:		
Tax charge	32	60
Interest expense	2,043	367
Depreciation and amortisation expense	2,583	4,215
Share-based payment cost	671	1,188
Total adjustments before exceptional items	**5,329**	**5,830**
Exceptional costs (before income tax) (see Note 23)	791	296
Total adjustments after exceptional items	**6,120**	**6,126**
Adjusted EBITDA	(2,900)	(5,338)
Foreign exchange loss	290	90
Foreign currency adjusted EBITDA	**(2,610)**	**(5,248)**

Exceptional Costs

Exceptional costs of US$0.79m were incurred during the year (2022: US$0.3m).

The exceptional costs incurred in 2023 are set out below:

- Professional fees in relation to investigations, business transformation programme and litigation procedures (US$0.45m).
- Impairment costs (US$0.05m).
- Severance pay costs (US$0.33m).
- Credit to income as a result of the reduction in the provision for costs associated with complying with regulatory investigations ($0.04m).

The exceptional costs incurred in 2022 are as outlined below:

- Professional fees in relation to investigations, business transformation programme and litigation procedures (US$0.25m).
- Credit to income as a result of a reduction in the provision for costs associated with complying with regulatory investigations (US$0.4m).
- Impairment of deferred fulfilment costs (US$0.45m).

Further explanations of the exceptional items incurred in both years can be found in Note 23.

Financing

During the year, the Group obtained an additional facility ("facility C") of €5m from Tireragh Limited increasing the total facility granted to €15m. At 31 December 2023, the Group has drawn down €13m from the Tireragh Limited loan facility. The repayment date on this facility is 31 December 2024 and as such it is disclosed as Borrowings within Current Liabilities in the Consolidated Statement of Financial Position.

The Group incurred finance costs of US$2.0m (2022: US$0.4m) in relation to its borrowings.

Dividends

The Board is not recommending that a dividend be paid in respect of 2023 (2022: US$nil).

Taxation

The effective rate of tax in the Group remains at zero due to the losses incurred in the period 2019 - 2023. The Group also has historic tax losses.

While the Board are confident that the Group and its trading subsidiaries will return to sustainable growth and become cashflow positive in the medium term, there remains an element of uncertainty regarding the likelihood of there being sufficient taxable profits in this period to utilise a deferred income tax asset. As a result, the Directors have determined that it is not appropriate to recognise deferred tax assets in respect of losses carried forward and R&D tax credits.

Subsequent events

During the first quarter of 2024, management initiated a full review of the cost base and operating model. In April 2024, management implemented a restructuring programme to address key areas identified in order to streamline and optimise Group's operations and enhance operating efficiencies.

On 22 April 2024, Steven Moloney joined the Group as Chief Financial Officer, and as a member of the Board of Directors effective on the same date.

As disclosed in this report, we signed an agreement with LATAM Airlines in 2023. Although the project achieved its primary endpoints, in 2024 it was agreed that this solution will not be part of LATAM Airlines' or Datalex's short term priorities and will not proceed. We derived significant value and insight from this project and will continue to invest in co-innovation projects with airlines, where we see strategic areas of opportunity and a joint return on investment.

Conclusion

The airline industry has made positive steps in the right direction in 2023, including year-on-year increases in passenger volumes across many nations. However, challenges posed by global economic developments and geopolitical uncertainty remain apparent. Despite this, Datalex made significant progress in 2023 with key customer renewals, the addition of Air Macau as a core strategic customer, and easyJet going live with Datalex's Merchandising product.

As a result, Datalex entered 2024 with a strong recurring revenue base. The industry outlook expects continued growth coming into 2024, with forecast airline revenues expected to reach historic highs following flight inventory levels predicted to exceed 2019 levels, presenting exciting opportunities for Datalex to support both new and existing customers on their digital transformation journey. We are expecting 2024 to be a year of activation, with notable growth planned for the years ahead. Our ambition is to return to generating positive EBITDA in 2025 and position the group for sustainable long-term growth.

Steven Moloney
Chief Financial Officer

19 June 2024

Risk Report

The Board of Directors (“Board”), supported by the Executive Leadership Team (“ELT”) is responsible for ensuring that the Group (including Datalex plc) has effective systems of internal controls and risk management in place to identify, measure, mitigate and monitor significant risks that may impact the achievement of the Group’s strategic objectives. This includes setting the Group’s risk appetite. The Board has delegated the monitoring of the internal controls and risk management systems to the Audit & Risk Committee as further described in the Audit & Risk Committee Report on page 52.

The intention of the Board is that the Group's risk management systems should ensure that business risks, whether to the integrity of key processes, systems and data, or the successful execution of our growth strategy, are fully incorporated into decision making and performance reporting.

Our Risk Management Framework

The following structure is in place within the Group:

Function	Responsibilities
Board of Directors	Overall responsibility for ensuring the effectiveness of risk management activities and for determining the nature and extent of the overall risks the Group is willing to take in achieving its strategic objectives.
Audit & Risk Committee	Risk oversight with responsibility for approving risk management policy and procedures, the risk register and risk appetite prior to their submission to the Board.
Executive Leadership Team	Risk monitoring within the business with responsibility for ensuring policies are implemented throughout the Group.
Chief Risk Officer	Executive with specific responsibility for the operation, development and reporting on of the Group's risk management framework.
Internal Audit	Internal Audit is responsible for carrying out internal audits on a risk basis and providing assurance regarding the adequacy of controls across specific risk areas (including risk management).
Heads of Department/Risk Owners	Risk owners within the business with responsibility for ensuring risk management is embedded in day-to-day activities, taking a proactive approach to risk identification and mitigation.
All Staff	Responsible for identifying and managing risks and promptly reporting any exceptions, near miss, risk incidents, concerns and/or control issues to the relevant Head of Department or Chief Risk Officer.

Risk Management in Action

Risk management is led from the top of an organisation and operated based on clearly defined structures and responsibilities. It is embedded in the normal working routines and activities of the organisation, with all staff conscious of the relevance of risk to achieving their objectives.

The Group's current Risk Management policy was adopted in December 2021. At that time the current Chief Risk Officer of the Group was also appointed. Throughout 2023 the Group has continuously monitored and assessed the principal risks facing the business and updated the Group's risk register accordingly.

Emerging Risks

In addition to principal risks and uncertainties, the Board assesses and monitors emerging risks which, while not currently having a significant impact on the business, have the potential to adversely impact the business in the future.

The emerging risks identified and discussed with management and the Board of Directors as part of the risk management process primarily include airline supply chain constraints, such as shortage of aircrafts. These emerging risks will be subject to detailed and continuous review and assessment in order to identify any changes to the risk profile.

Principal Risks and Uncertainties

The Group maintains a risk register, which records identified risks across Delivery, Product Performance, Customer Satisfaction, Organisation Development, Financial, Cyber Security and Business Continuity, and Business Growth. Each risk is measured in terms of financial impact and probability. Mitigating actions are listed which inform the residual risk rating. The risk register is reviewed and updated periodically and was most recently reviewed by the Audit & Risk Committee in November 2023. The main risk categories that the Board considered are on the following pages.

Risk	Potential Impact	Mitigation	Strategic Pillar
Macro-economic and geopolitical uncertainty impact on our customers **Risk Trend Increasing** ↑	Rising global inflation rates and continuing geo-political conflict in Ukraine and the Middle East, place a risk on the continued pace of the post pandemic recovery of the aviation industry. There's also a risk that potential new customers will be more cautious to contract in the current environment.	Developments in 2023: Throughout 2023, we provided unparalleled support to our customers which remained affected by the ongoing pressures of the current macro-economic climate. The Group continued to develop an active and broad pipeline, and secured Air Macau as a new customer. Focus areas in 2024: The Group will continue to maintain a cadence of cashflow and financial reporting to the ELT and the Board during 2024 to facilitate accurate business continuity planning during periods of uncertainty. Additionally, the Board and ELT will continue to be kept informed about geopolitical risks through regular Group risk and operational updates.	
Competition **Risk Trend Stable** ↔	Increased competitor activity could adversely impact the Group's market share and its ability retain its existing customers and to win new customers. The Group must continue to invest in its products and technology to ensure it remains competitive.	Developments in 2023: The Group previously implemented a strategic plan focused on achieving accelerated and sustainable growth through prioritisation of retention of existing customers and new customer acquisition, cementing our product first approach and investing in areas that will enable airlines to grow as digital retailers and maximise the value our customers derive from the Datalex product offering. The success of the strategic plan was evidenced by the securing of Air Macau as a new customer, along with the renewal of contract of several key customers. In 2023, the Group launched a new Shopping & Pricing product engine, evidencing its ability to remain innovative in a competitive landscape. Focus areas in 2024: The Group plans to continue to invest in 2024 in the modernisation and modularisation of core technologies in line with market expectations.	

Risk	Potential Impact	Mitigation	Strategic Pillar
Financing Risk **Risk Trend** **Increasing** ↑	If the Group is unable to attract appropriate finance, this would impact our ability to continue as a going concern. The Group's ability to invest and grow is dependent on having the required financial resources.	Developments in 2023: During the year, the Group obtained an additional facility ("facility C") of €5m from Tireragh Limited increasing the total facility granted to €15m. At 31 December 2023, the Group has drawn down €13m from this facility. The repayment date on this facility is 31 December 2024. Focus areas in 2024: The Board is actively working with its financial advisors to advise on and undergo an equity fundraising. If successful, this funding will enable the Group to repay its existing loan facility with Tireragh Limited and provide sufficient working capital to invest further in the Group's product roadmap and activation projects, while continuing to compete for new revenue opportunities. As the successful completion of equity fundraising is a material uncertainty, the Board has received the support of Mr. Dermot Desmond, the Group's largest ultimate beneficial shareholder, who has confirmed to the Group that he will procure support for the equity fundraising. IIU Nominees Limited, has also indicated its intention to apply for its pro rata entitlement of any fundraising. Pending the above, subsequent to the year-end, the Company's lender, Tireragh Limited, has informed the Group that in the event that Datalex does not complete its planned equity fundraising, and subject to terms and conditions to be agreed, it is willing to extend the termination date of the existing loan principal amounts and accrued interest from 31 December 2024 to 1 July 2025 and, if required, to provide an additional loan facility in the amount of €10 million.	
Ability to resource growth of the business **Risk Trend** **Stable** ↔	The Group's ability to implement new customer wins and continue to deliver professional services is dependent on having appropriately skilled employees and business partners available to meet deliverables in a timely manner which might otherwise result in delays or increased costs.	Developments in 2023: The Group has a comprehensive people strategy in place including training, recruitment, development, reward and retention which acknowledges competition for staff in the external environment. The Group continued to add new expertise in key areas during 2023. Focus areas in 2024: The Group plans to continue to strengthen its existing expertise in key areas in 2024, along with maintaining regular engagement in regular resource planning meetings with delivery partners where new opportunities for growth are considered.	
Business interruption and IT Systems, Cyber Security and Compliance **Risk Trend** **Stable** ↔	Any failure of the Group's IT or security systems, or those upon which it relies, could result in significant business disruption, reputational damage, or the unauthorised access to sensitive financial, personal and commercial information.	Developments in 2023: The security of our information technology platforms is of crucial importance to the Board. The Group has extended its business continuity and disaster recovery plans which are tested on a regular basis and continues to invest in infrastructure in these areas. A core mitigation for the Group is the policies in place regarding the protection of both business and personal information, as well as the use of IT systems and applications by our employees with oversight by the Chief Technology Officer. These were further developed during 2023. Focus areas in 2024: The Group's existing and further planned investment in 2024 in a modern, standardised technology platform, along with our trusted IT partners, will assist us in managing these risks.	
Adverse Litigation **Risk Trend** **Stable** ↔	An adverse outcome could result in financial loss and reputational damage.	Developments in 2023: The Group has regular, ongoing reviews of all litigation with specialist external counsel, as well as the internal legal team. The Group held frequent Board updates on litigation including detailed litigation strategy planning, risk analysis and budgeting during 2023. Focus areas in 2024: The Group will continue to hold regular Board updates on litigation during 2024.	

Going Concern

The Group and Parent Company Financial Statements have been prepared on the going concern basis, which assumes that the Group and Parent Company will be able to continue in operational existence for the foreseeable future. The period that the Board has considered in evaluating the appropriateness of the going concern basis in preparing the Group and Parent Company Financial Statements for 2023 is a period of twelve months from the date of approval of these Financial Statements.

The Group incurred a loss of US$9.0m in the year (2022: US$11.5m). At 31 December 2023, the Group had net liabilities of US$17.6m (2022: net liabilities of US$9.3m) and net current liabilities of US$16.8m (2022: net current liabilities of US$8.5m). The total decrease in cash was US$0.8m (2022: decrease of US$1.7m) with a closing cash balance of US$5.8m at 31 December 2023 (2022: US$6.5m). As at 30 April 2024, the closing cash balance per unaudited management accounts was US$4.5m.

The Board is required to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement, the Board has considered the Group's forecast cash flows, liquidity, borrowing facilities, principal risks, and the expected operational activities of the Group. In evaluating cash flow needs, the Board has considered the Group's commitments to customers and the working capital requirements for recent customer wins and potential new customers. The Board has assessed funding requirements, with consideration given to the sources of finance available to the Group which include access to the equity markets, the Tireragh Limited loan facility (total facility of €15m, of which €13m has been drawn down at the date of the approval of these Financial Statements) and the Group's cash-on-hand.

Furthermore, the assessment considers the Board's and management's views of the potential impact of the wider economic and geopolitical environments on the Group's businesses across the period. The Group operates in a competitive environment which continues to be impacted by macro-economic matters, risks and uncertainties which are outside the control of the Group. These include but are not limited to conflicts in Ukraine and the Middle East, increases in oil prices, high inflation rates, rising interest rates and operational problems due to supply chain bottlenecks and staff shortages in the airline industry. Each of these principal risks, along with their potential impact and mitigating factors are conveyed in the "Principal Risk and Uncertainties" section.

The Group prepared a range of financial forecasts to assess cash flow requirements. The "Base Case" scenario represents management's best estimation of how the business is expected to perform over the period. A sensitivity analysis has also been incorporated to understand a potential "Downside" scenario. This reflects a plausible but more severe combination of the principal risks of the business, resulting in weaker revenue, higher costs, and poorer fundraising outcomes. Notably, the Group is currently required to repay the Tireragh Limited loan facility on 31 December 2024 - which at the year-end date consisted of a principal of €13m and accrued interest of €1.9m. The Group's current cash flow forecasts indicate that without additional funding, there will not be sufficient resources to repay the Tireragh Limited loan facility as it falls due.

The Board of Datalex plc is actively working with its financial advisors and intends to complete an equity fundraising to raise sufficient capital, net of expenses, for the repayment of the Tireragh Limited loan facility, including related interest charges, and the funding of the Group's future working capital requirements. As the successful completion of equity fundraising is a material uncertainty, the Board has received the support of Mr. Dermot Desmond, the Group's largest ultimate beneficial shareholder, who has confirmed to the Group that he will procure support for the equity fundraising. IIU Nominees Limited has also stated its intention to apply for its pro rata entitlement of any fundraising.

Pending the above, subsequent to the year-end, the Company's lender Tireragh Limited, has informed the Group that in the event that Datalex does not complete its planned equity fundraising, and subject to terms and conditions to be agreed, it will extend the termination date of the existing Tireragh Limited loan facility from 31 December 2024 to 1 July 2025, and, if required, provide an additional loan facility in the amount of €10 million. As such, the Board believes that the Group will have sufficient liquidity for the year ahead, regardless of whether or not the equity fundraising completes successfully.

The Board recognize that there are material uncertainties, as stated above, which may cast significant doubt as to the Group and Parent Company's ability to continue as a going concern. Nevertheless, based on the assessment of the adequacy of the financial forecasts, Mr. Dermot Desmond's, IIU Nominees Limited and Tireragh Limited's support including the willingness to extend the repayment date of the Tireragh Limited loan facility and to provide an additional facility, if required, and the fundraising options available to the Group, the Board have formed the judgement that at the time of approving the Financial Statements, that there is a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of this report. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements and the Financial Statements do not include any adjustments that would be required if the Group was unable to continue as a going concern.

Directors' Report

Board of Directors

John Bateson

Non-Executive Director

Age: 60
Nationality: Irish
Appointed to Board:
20 November 2006
Independent: No
Committee Memberships:
Remuneration, Nomination & Governance (Chair)

Skills and experience:
John Bateson is the Managing Director of International Investment and Underwriting Unlimited Company, a related party. John is a Business Studies graduate of Trinity College Dublin and, having qualified with KPMG, is a Fellow of the Institute of Chartered Accountants in Ireland. Prior to joining International Investment and Underwriting Unlimited Company, John spent six years with the corporate finance arm of NCB Group.

Gillian French

Non-Executive Director

Age: 47
Nationality: Irish
Appointed to Board: 22 June 2023
Independent: Yes
Committee Memberships:
Remuneration, Nomination & Governance

Skills and experience:
Gillian has her own consultancy business SISU Consulting Services LTD that specialises in organisation development and design. Gillian also serves as Chief People Strategist for Workvivo and has held senior leadership positions across various businesses for over 20 years. Prior to joining Workvivo in 2021, Gillian was the Chief People Officer for Cubic Telecom, a global vehicle software solution business, from 2019 to 2021. Gillian was also the Chief People Officer at CarTrawler from 2014 to 2018, and prior to this held the role of Director of Human Resources from 2007. In addition to this, Gillian is a current advisory Board member for ReganWall Business Law Firm, a leading Irish business law firm.

David Hargaden

Chairman

Age: 67
Nationality: Irish
Appointed to Board:
7 November 2019
Independent:
N/A Independent on appointment
Committee Memberships:
Audit & Risk, Remuneration

Skills and experience:
David Hargaden is an experienced Board member and technology investor. He is the former Executive Chairman and CEO of Unity Technology Solutions, one of Ireland's leading IT Managed Services businesses. In addition to this, David is a former Non-Executive Director of ding.com, the international mobile top-up provider (2006 to 2021); a former Non-Executive Chairman of CarTrawler.com, Europe's largest car rental site (2004 to 2011); and a founder and former Non-Executive Chairman of myHome.ie, Ireland's largest property portal (2001 to 2006). David was Head of Corporate Finance at BDO Ireland (2001 to 2008) and Managing Partner at Hargaden Moor, Chartered Accountants from 1992 to 2001. He has also been Chairman of Point Information Systems and eWare, software development companies specialising in CRM.

Peter Lennon

Non-Executive Director

Age: 67
Nationality: Irish
Appointed to Board:
3 August 2000[(1)]
Independent: No
Committee Memberships:
Remuneration (Chair), Nomination & Governance

Skills and experience:
Peter Lennon brings a wealth of specialised legal and industry expertise. A practicing lawyer and partner in the law firm Ronan Daly Jermyn, he specialises in litigation and advises many Irish and English underwriters and airlines on liability claims matters.

(1) Peter Lennon has been a Director of the Datalex Group since 1993, prior to the incorporation of Datalex plc on 3rd August 2000.

Mike McGearty

Lead Independent Director

Age: 51
Nationality: Irish
Appointed to Board:
9 December 2019
Independent: Yes
Committee Memberships:
Audit & Risk (Chair), Remuneration (Retired during 2023)

Skills and experience:
Mike McGearty is the former CEO of CarTrawler and a qualified Chartered Management Accountant. Under his leadership, CarTrawler consistently recorded high double- digit year on year growth, completed two major private equity investments as well as the acquisition of the online assets of Holiday Autos from Lastminute.com. Revenue increased from €1m to more than €200m annually. Prior to joining CarTrawler, Mike worked for eWare, a leading developer of CRM software which was acquired by the software accounting giant, SAGE plc. He also worked at Point Information Systems, a CRM provider, which was acquired by S1. He is currently Chairman of the Board at CitySwift, a high growth technology platform for Bus companies.

Steven Moloney

Chief Financial Officer

Age: 39
Nationality: Irish
Appointed to Board: 22 April 2024
Independent: No
Committee Memberships:
None

Skills and experience:
Steven Moloney is a highly experienced finance professional, joining Datalex from &Open where he held the position of CFO. Prior to this Steven spent nearly 6 years at Block (formerly Square), where he was CFO for the UK & Europe, and led finance and strategy for the international business. Steven has also held senior roles in Hostelworld, PaddyPower and PwC. Steven is a commercially focused leader, with extensive experience leading finance organisations in fast paced technology multinationals.

Jonathan Rockett

Chief Executive Officer

Age: 40
Nationality: Irish
Appointed to Board:
9 November 2023
Independent: No
Committee Memberships:
None

Skills and experience:
Jonathan Rockett brings a breadth of experience to the Board, having been appointed as Chief Executive Officer during the year. Having previously held the role of Managing Director at Ding, and prior to that the role of Chief Financial Officer for over 5 years (2017-2023), Jonathan is an experienced executive at the senior leadership level. Prior to a 10 year tenure with Ding spanning from 2013, he held senior positions in both PaddyPower and PwC for several years. In addition to this, Jonathan has been an official member of the Forbes Finance Council since 2018.

Executive Leadership Team

Jonathan Rockett

Chief Executive Officer

Refer to Board of Directors Section for biographical information.

Steven Moloney

Chief Financial Officer

Refer to Board of Directors Section for biographical information.

Emma Holohan

VP of Strategy & Transformation

Emma has a wide range of experience in strategy and transformation. Prior to joining Datalex, Emma worked in management consulting in KPMG advising organisations across a range of industries including infrastructure, aviation, banking, and retail. Prior to this, Emma worked in strategy and corporate development at Aesop. Emma is a fellow of Chartered Accountants Ireland and completed her training in Corporate Finance in Deloitte.

Brian Lewis

Chief Technology Officer

An experienced technology leader with extensive travel domain knowledge, Brian has previously held senior architectural positions in SITA, worked closely with IATA and held the position of CTO at OpenJaw Technologies. Brian has a proven track record of delivering complex platforms and solutions to airlines and travel providers as well as scaling and transforming technical capabilities within an organisation. Brian joined Datalex in October 2022.

Neil McLoughlin

Chief Commercial & Legal Officer

Neil brings significant legal and management experience having held a number of leadership roles in public and private companies. Prior to joining Datalex, Neil was Chief Operating Officer at Malin Corporation plc and before that spent 10 years at Elan plc where he served as Associate General Counsel and Assistant Secretary.

Bryan Porter

Chief Revenue Officer

Datalex's Chief Revenue Officer, Bryan Porter, is a seasoned commercial leader in the travel technology sector. Prior to joining Datalex, Bryan was Senior Vice President of Sales and Account Management at Accelya, Chief Commercial Officer at OpenJaw Technologies and Head of e-Commerce for a South African airline. Bryan is a passionate evangelist for emerging Offer and Order standards and the promise they bring to the next generation of airline retailing technologies. As Chief Revenue Officer at Datalex, Bryan has overall responsibility for the Sales, Marketing and Customer teams. Bryan joined Datalex in October 2022.

Ellen Treacy

VP of Operations & Activation

Ellen has comprehensive operations and software process management experience and prior to her current role, was Director of Operations and Software Process Management at Datalex. She has held senior software technical roles at Fujitsu and at IONA Technologies.

Noel Walsh

VP of Finance (formerly Interim Chief Financial Officer during 2023)

Noel joined Datalex in October 2021 and was appointed VP of Finance in April 2024 after serving as Interim CFO in 2023. Noel spent his early career at PwC and held senior finance roles at real estate firms Lend Lease and Stockland in Sydney. Before Datalex, he worked at ION, a global fintech in Dublin, where he played a key role in its growth and served as Head of Revenue Operations & FP&A. Commercially focused executive with experience in scaling fast-growing businesses.

Corporate Governance Report

Dear Shareholder,

I am pleased to present our 2023 Corporate Governance Report, which describes our governance structures and practices.

Since our admission to Euronext Growth market in 2021, Datalex adopted the provisions of the QCA Corporate Governance Code ("the QCA Code"). The QCA Code was published by the Quoted Companies Alliance in April 2018 (as updated from time to time) and can be obtained from the Quoted Companies Alliance website, www.theqca.com.

The QCA Code requires the Group to apply ten principles of good corporate governance and publish certain disclosures in its annual report and also on its website. Datalex has committed to applying these principles within its business and the full details of the application of these principles are contained on the Company website, at https://investors.datalex.com/about-datalex/corporate-governance.

The Board is committed to supporting a culture across the Group that promotes ethical behaviour and values and supports sustainable growth in our business. We strive to promote a strong boardroom culture, with constructive challenge flowing freely from the Non-Executive Directors. In the following pages we describe our corporate governance framework, the roles and responsibilities of each component of that framework and outline the work of the Board and each of the Board Committees.

Reports of the Chairs of our Nomination & Governance Committee, Audit & Risk Committee and Remuneration Committee are set out between pages 50 to 75. A detailed Risk Report is outlined on pages 30 to 33.

The priority areas of Board focus in 2023 are set out in my introduction to this Annual Report on pages 6 to 7.

I hope you find this report informative, and I look forward to speaking with you at our Annual General Meeting.

David Hargaden
Chairman

19 June 2024

Corporate Governance Framework

Board of Directors

The Board of Directors ("Board") is responsible for the overall leadership and strategic direction of the Group and for overseeing and guiding the management of the business. The Board's responsibilities are active and not passive and include the responsibility for setting strategy, regularly evaluating management policies and the effectiveness with which management implements strategy and policies. The Board is also responsible for establishing a framework to assess and manage risk.

Board Committees

The Board has three standing Committees which support the operation of the Board through their focus on specific areas of governance. Each Committee has formal terms of reference approved by the Board which set out how it should operate including its role, membership, authority and duties and is governed by a statement of general principles and rules of procedure adopted by the Board. These are available at www.datalex.com or on request from the Company Secretary.

Audit & Risk Committee

The role of the Audit & Risk Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- The integrity of the financial and narrative statements and other financial information provided to shareholders.
- The Company's system of internal controls and risk management.
- The internal and external audit process and auditors.
- The processes for compliance with laws, regulations and ethical codes of practice.

The Report of the Audit & Risk Committee is set out on pages 52 to 59.

Remuneration Committee

The primary role of the Remuneration Committee is to ensure that the remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements. The Report of the Remuneration Committee is set out on pages 60 to 75.

Nomination & Governance Committee

The role of the Nomination & Governance Committee is to:

- Ensure the Board composition is regularly reviewed and refreshed.
- Oversee the development of a diverse pipeline for orderly succession to positions on the Board and as regards senior executives, including the Company Secretary.
- Monitoring the Company's compliance with corporate governance best practice, legal, regulatory and listing requirements.

The Report of the Nomination & Governance Committee is set out on pages 50 to 51.

Chief Executive Officer

The responsibilities of the Chief Executive Officer (the "CEO") are set out in the Board Roles and Responsibilities section.

Executive Leadership Team

The Executive Leadership Team supports the CEO in the implementation of strategy, allocation of resources and the control of expenditure, and reports to the CEO at weekly management meetings. The members of the Executive Leadership Team are set out on pages 40 to 41.

Board Roles and Responsibilities

Chairman David Hargaden

The roles of Chairman and Chief Executive Officer are separate with a clear division of responsibilities between them.

The Chairman is responsible for the leadership and management of the Board and that the Board upholds the highest standards of integrity and corporate governance, establishing and maintaining an effective working relationship with the CEO and for ensuring there is transparent and appropriate communication with shareholders and broader stakeholders.

Chief Executive Officer Jonathan Rockett

The CEO is responsible for the operation of the business of the Group and for the implementation of strategy and policies agreed by the Board. In executing his responsibilities, the CEO is supported by the Chief Financial Officer ("CFO") and the Company Secretary who, with the CEO, are responsible for ensuring that high quality information is provided to the Board on the Group's operational, financial and strategic performance.

Chief Financial Officer Steven Moloney

The CFO is primarily responsible for managing the financial affairs of the Company and positioning the Company for optimal financial performance. The CFO is also responsible for taxation matters.

Lead Independent Director Mike McGearty

The Lead Independent Director coordinates, in a lead capacity, the other independent Directors and his duties included providing ongoing and direct feedback from the Directors to the Chairman and the CEO; communicating the Board's annual evaluation of the Chairman and the CEO; organising and leading the periodic review of the Board's governance procedures.

The Lead Independent Director is available to shareholders who have concerns that cannot be addressed through the Chairman, CEO, CFO or Company Secretary, and he is also available to meet major shareholders on request.

Non-Executive Directors - Listed on pages 38 to 39.

The Non-Executive Directors have varied backgrounds and experience and bring constructive challenge to bear on issues of strategy, performance, resources and standards of conduct. Collectively, the Non-Executive Directors possess a wide range of financial, commercial and general management experience, investment expertise and software industry expertise. The experience and skills of the individual Board members are set out on pages 38 and 39.

Company Secretary Neil McLoughlin

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring compliance with Board procedures. The Company Secretary is also responsible for supporting the Chairman and other Board members as necessary, including the management of Board and Committee meetings, advising on Directors' duties and facilitating appropriate, quality and timely information flows between the business and the Board. Both the appointment and removal of the Company Secretary are matters for the Board as a whole.

Board of Directors

At 31 December 2023, the Board comprised of six Directors: the non-executive Chairman, one Executive Director and four Non-Executive Directors, two of whom are considered as Independent Non-Executive Directors. Please refer to page 47 for further details on the reasons why two Non-Executive Directors are not considered as independent.

The Board continues to work to ensure that the composition of the Board has the diversity, skills and expertise necessary to drive the Group's future success and expects to make further appointments to enhance the Board in the coming months. The Board is aware of the other commitments of its Directors and is satisfied these did not or do not conflict with their duties as Non-Executive Directors of the Company. The CEO and CFO do not hold any directorships in public companies outside of the Datalex Group.

The Board is responsible for the success of the Company but, given the size and complexity of its operations, the day-to-day operations of the Company are managed on a delegated basis by certain Board committees, the CEO and the senior executives working with the CEO. However, certain matters are reserved for decision by the Board as a whole. These include approving annual operating and capital budgets, and decisions on strategic investments and direction. The Board also monitors Group performance against agreed objectives and considers the sustainability of the Group's business model. The Non-Executive Directors meet without executive management present on a regular basis.

Board members are expected to devote such time as is necessary for the proper performance of their duties. The Board meets at least 9 times a year and additionally as required. During 2023 the Board met 19 times. Details of Directors' attendance at these meetings are set out below.

The Chairman sets the agenda for each meeting in consultation with the CEO, the Company Secretary and, where appropriate, the Lead Independent Director. The agenda and Board papers are circulated prior to each meeting to provide the Directors with relevant information and to enable them to fully consider the agenda items in advance of the meeting. In the event a Director is unavailable to attend a Board meeting, he or she will receive the Board papers in advance of the meeting and can communicate their views on any items, to be raised through the Chairman at the meeting.

The matters considered by the Board at each scheduled meeting include a review of actual performance against approved budget and forecast performance through to the end of the period, the Group's operational performance and customer satisfaction, the current status of the sales pipeline and any market and / or product developments since the previous meeting, and any changes to the business risk environment, including any credit risk events. The Board also periodically reviews the strategic development of the business.

Board meeting attendance 2023

Board Member	Meeting Attendance	Tenure (To 31 Dec 2023)
David Hargaden	19 / 19	4 years
Sean Corkery(1)	19 / 19	5 years
Dan Creedon(2)	7 / 11	-
John Bateson	18 / 19	17 years
Dermot Halpin(3)	6 / 11	-
Peter Lennon(4)	18 / 19	23 years
Mike McGearty	19 / 19	4 years
Gillian French(5)	8 / 8	6 Months
Jonathan Rockett(6)	2 / 2	2 Months

(1) Sean Corkery resigned on 31st December 2023
(2) Dan Creedon resigned on 22nd June 2023.
(3) Dermot Halpin resigned on 22nd June 2023.
(4) Peter Lennon has been a Director of the Datalex Group since 1993 prior to the incorporation of Datalex plc on 3rd August 2000.
(5) Gillian French was appointed on 22nd June 2023.
(6) Jonathan Rockett was appointed on the 9th November 2023.

Date of appointment (and length of service to date of this Annual Report) to the Current Board of Directors and Committees of Datalex plc

Name	Datalex plc Board of Directors	Audit & Risk Committee	Remuneration Committee	Nomination & Governance Committee
David Hargaden	7 November 2019 (4 years 6 months)	30 January 2020 (4 years 4 months)	30 January 2020 (4 years 4 months)	-
Jonathan Rockett	9 November 2023 (7 months)	-	-	-
Steven Moloney	22 April 2024 (1 Month)	-	-	-
John Bateson	20 November 2006 (17 years 6 months)	-	-	21 April 2010 (14 years 1 month)
Peter Lennon(1)	4 August 2000 (23 years 9 months)	-	4 August 2000 (23 years 9 months)	30 January 2020 (4 years 4 months)
Mike McGearty	9 December 2019 (4 years 6 months)	30 January 2020 (4 years 4 months)	-	-
Gillian French	22 June 2023 (11 months)	-	24 November 2023 (7 months)	24 November 2023 (7 months)

(1) Peter Lennon has been a Director of the Datalex Group since 1993 prior to the incorporation of Datalex plc on 4 August 2000.
As noted on page 45 three Directors resigned during 2023 and are not included in the above table.

Board Engagement with Stakeholders

Shareholders and Investors

Communications with shareholders are given high priority and there is regular dialogue with individual shareholders, as well as general presentations at the time of the release of the annual and interim results. During 2023, there was significant engagement with the Company's shareholders, including a capital markets day event in May 2023 and at the Company's annual general meeting shareholders had the opportunity to ask questions of the Board. In addition, a number of trading updates were issued to the market during the year. Periodically, the CEO, CFO and Company Secretary meet with shareholders and regular updates are provided to the Board on matters raised by shareholders to ensure the Non-Executive Directors have a full understanding of the views of shareholders. When necessary, the Board and Committee Chairpersons engage with shareholders on specific topics and where relevant provide feedback to the Directors. The Lead Independent Director is available to shareholders if contact through normal channels is inappropriate or has failed to resolve concerns.

Workforce

Our people drive every part of our business model. The Board engage with our workforce in various ways, including meetings with management and employees around Board meetings, employee engagement surveys, the annual kick off meeting, hackathons and recognition programmes. A detailed People update is included at every scheduled meeting of the Board. In May 2024, Gillian French was appointed as the Director of Workforce Engagement to enable the Board to develop a better understanding of the workforce and improve communication and engagement between the Board and employees of the Group. Throughout 2023, both the previous and new CEO maintained regular communication between the Board and the workforce.

Customers and Suppliers

We have deep and long-standing relationships with our customers and suppliers who are fundamental to the success of Datalex. The Board is regularly updated on the engagement and relationships with our customers and suppliers. We continue to actively work with our customers, and with the support of our major suppliers, to help and support them in their recovery from the pandemic's impact.

Communities

The Board is regularly updated on CSR and ESG initiatives. Datalex is not currently in scope for the new reporting requirements made effective by the European Corporate Sustainability Reporting Directive (CSRD), however the Board remains committed to enhancing our ability to report on ESG initiatives in a more granular and transparent manner, in line with the European sustainability reporting standards (ESRS). The Board will continue to consider all new regulations and how they affect Datalex, along with the relevant reporting disclosures required.

Please refer to Our Stakeholders section on pages 20 to 25 of this report.

Culture and Values

The Company's core values are documented and communicated regularly to all Directors, employees and other stakeholders. Performance on values is a mandatory element of all employees' annual performance review.

The Board monitors culture to ensure it is aligned with purpose, values and strategy. The Board does this by interaction with management teams and employees at Company events and review of employee surveys.

Board Balance, Effectiveness and Independence

A key element of ensuring the Board continues to operate effectively is independent oversight, which allows Non-Executive Directors to scrutinise and, when necessary, challenge management proposals and strategy. The Board has evaluated the independence of each Non-Executive Director by considering a number of factors, including:

- Has any Director been an employee of the Company within the last five years?
- Has any Director had a material business relationship with the Company, directly or indirectly, in the last three years?
- Does any Director receive additional remuneration from the Company, apart from Directors' fees?
- Does any Director have links to other Directors, or family ties with the Company's senior managers or advisors?
- Does any Director hold cross-Directorships or have significant links with other Directors through involvement in other companies or bodies?

- Does any Director represent a significant shareholder?
- Has any Director served on the Board for more than nine years from the date of their first election?

The Board has concluded that Peter Lennon and John Bateson were not deemed to be independent under the considerations outlined above. Specifically:

- Peter Lennon has served on the Board since 1993, and is a partner of the firm Ronan Daly Jermyn, which has provided legal services to the Group.
- John Bateson has served on the Board since 2006 and is a Director of the largest shareholder in the Company, IIU Nominees Limited.

The Board believes that the Group benefits from the continuity of tenure and considerable experience that Mr. Lennon and Mr. Bateson bring to bear on the Group's governance.

The QCA Code states that the Board should have an appropriate balance between executive and non-executive Directors and should have at least two non-executive Directors whom the Board considers independent.

The Board considers Mike McGearty and Gillian French to be independent. David Hargaden was considered independent on his appointment as Chairman on 7 November 2019 and his other commitments are set out on page 38. The Board, in conjunction with the Nomination & Governance Committee has stated its intention to enhance the Board in the near future, with a particular emphasis on diversity.

The QCA Code states that every member of the Remuneration Committee must be independent. During 2023, Peter Lennon, who is not considered independent, continued to serve as the Chairman of the Remuneration Committee. Given that Mr. Lennon had significant experience serving on Remuneration Committees, the Board had considered this and wanted to take advantage of Mr. Lennon's skills and experience in this area. In January 2023, Mr. Halpin resigned from the Remuneration Committee. Additionally during 2023, Mr. McGearty resigned from the Remuneration Committee and was replaced by Ms. French. At 31 December 2023, all members of the Remuneration Committee with the exception of the Chairman are independent. The membership of the Remuneration Committee will be reviewed further in 2024.

Induction and Development

On appointment, Non-Executive Directors undertake a structured induction programme which includes meetings with the Executive Leadership Team, meetings with the Company's financial and legal advisors. In addition, new Non-Executive Directors receive a detailed induction pack describing the structure and operations of the Board, Group and business.

On an ongoing basis, the Company arranges for Board members to develop and update their skills, knowledge and familiarity with the Company. The Chairman invites external experts to attend and present at specific Board meetings to inform the Directors on key areas of relevance to the business. Individual Directors may seek independent professional advice at the Group's expense, where they judge it necessary to discharge their responsibility as a Director.

Terms of Appointment

Non-Executive Directors are engaged under a letter of appointment. A copy of the standard letter of appointment is available on request from the Company Secretary. On appointment, Directors are provided with briefing materials on the Group and its operations. Visits to the business and meetings with management are arranged, and ongoing briefings are provided as appropriate.

Time Commitments

Each Board member commits sufficient time to fulfil their duties and obligations to the Board and the Group and expectations in terms of time commitment are clearly set out in the terms of appointment of all Non-Executive Directors. Generally, it is anticipated that Board members will spend a minimum of two days per month on work for the Company after their induction phase. However, the nature of the role makes it impossible to be specific about the maximum time commitment and Board members may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. Details of Directors' attendance at meetings are set out within the various committee reports which follow.

Conflicts of Interest

The Board has adopted a Conflicts of Interest Policy and actively manages conflicts of interest including those resulting from significant shareholdings.

Retirement and Re-election

Each of the Directors will submit themselves for re-election each year at the Annual General Meeting of the Company.

Remuneration and share-ownership

Details of Directors' remuneration and interests in share options and share awards together with details of Directors' beneficial interests in the share capital of the Company are set out in the report of the Remuneration Committee on Directors' remuneration on pages 60 to 75.

D&O Cover

The Group maintains insurance cover in respect of the liability of its Directors and Officers.

Board Performance Evaluation

The annual Board evaluation process is an important element in ensuring and enhancing the effective and efficient operation of the Board. The Group has established a formal process for the annual evaluation of the performance of the Board and its principal Committees.

The most recent annual Board and Committee evaluation took place in November 2023, revealing both progress from previous years and areas for enhancement. These areas encompassed strategy, Board communications and materials, succession planning, training and culture. Led by the Chair of the Nomination and Governance Committee, a work plan to address each of the areas for improvement has been initiated and will continue through 2024. Following this the Board agreed an action plan, areas of focus from the evaluation, to further improve the functioning of the Board and its Committees. It was agreed that Board evaluation feedback would be added as a rolling item on the Board's annual agenda to ensure that matters identified in the Board evaluation are being addressed.

On behalf of the Board, the Nomination & Governance Committee conducts the annual evaluations of the CEO, the results of which will be reviewed with the other independent Directors. The Remuneration Committee will use the evaluation of the CEO in the course of its deliberations when reviewing and considering his compensation.

Code of Conduct

The Code of Conduct provides guidance to employees on the standards that are expected across a range of areas applicable to the business, including personal obligations, discrimination, conflict of interest, anti-bribery, insider trading, antitrust, use and protection of business assets and information and compliance with the law. The Company strives to ensure that our business partners understand our standards and, wherever possible, act accordingly in all areas of concern.

Whistleblowing

The Group's whistleblowing arrangement includes an externally facilitated hotline through which all employees and third parties can raise concerns in confidence about possible wrong doings in financial reporting and other matters, 24 hours a day by phone or online. All whistleblowing incidents are reviewed by the Lead Independent Director and formally investigated by the Board depending on the nature of the concern raised. The Board is satisfied that the Group's whistleblowing arrangements are operating effectively.

Share Ownership and Dealing

The Group has a Share Dealing Policy which provides guidance to all Directors and employees to ensure that they do not misuse, or place themselves under suspicion of misuse, information about the Group which they may have and which is not public. The Group also has a Share Dealing Code which applies to all Directors and certain employees and which, in addition to providing guidance on non-public information, sets out the rules and procedures to be followed when dealing in the shares of the Company or any other type of securities issued by or related to the Company.

Accountability and Audit

The Directors' responsibility for preparing the Parent Company and Consolidated Financial Statements is explained in the Directors' Responsibilities Statement and the Auditor's responsibilities are set out in the Independent Auditor's Report. The Board is responsible by law for keeping adequate accounting records, which disclose at any time the financial position of the Parent Company and the Group. The Board is also responsible for overall management of the Company and the Group including strategy, policy and reporting. In discharging these mandates, the Board pays particular attention to economic issues, strategy, investment programmes, financial performance and personnel matters.

Risk Management and Internal Control

The Board is responsible for identifying, evaluating and managing the principal risks faced by the Group in achieving its strategic objectives. It is ultimately responsible for monitoring risk management systems including financial controls, controls in respect of the financial reporting process and controls of an operational and compliance nature.

The Board has delegated responsibility for the ongoing monitoring of the effectiveness of the risk management and internal control systems to the Audit and Risk Committee. Details in relation to the Audit and Risk Committee's work in this regard are set out in the Audit and Risk Committee Report on pages 52 to 59.

The Group's internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board acknowledges its responsibility for reviewing the risk management and the internal control systems. The main features of the Group's systems of internal controls and risk management which operated in the period are as follows:

- Key risks, with reference to achievement of the Group's business objectives are assessed and revised periodically. The risk register was extensively updated during 2023 and reviewed regularly by both the Board and the Audit & Risk Committee, with its latest revision being in November 2023 following a review by the Audit & Risk Committee. In addition, the Audit & Risk Committee continuously reviews the Group's overall risk environment, with respect to both risks to the achievement of the Group's business objectives, and risks to the integrity and effectiveness of the Group's key systems and processes. In particular, the Committee recognises the importance of successful customer delivery, and pays particular attention to areas such as the availability of key domain resources and skills, the performance and integrity of critical infrastructure in our hosting facility, and control over the Group's cost base. The Committee also recognises the competitive dynamics of our market, and closely monitors any changes in pricing or product offerings that may impact on our ability to continue to win new business and retain existing customers. Any mitigating actions required are monitored and reported to the Audit & Risk Committee on a periodic basis. A summary of key risks, together with mitigating actions, is set out on pages 30 to 33.
- Further enhancements were made to the Group's control environment. Notably, the Group commenced a project to upgrade the financial ERP system to a full SaaS version (completed in 2024), added new personnel in finance, and introduced more robust processes and oversight.

Financial Reporting Process

The Group has in place procedures to identify, evaluate and manage significant risks in accordance with the QCA Code. These procedures were in place for the full year under review, and up to and including the date of approval of the Consolidated Financial Statements. The process is subject to review by the Board.

The key procedures established by the Board, with a view to reviewing the effectiveness of the internal control environment, include the following:

- The organisation structure has clearly defined lines of authority;
- There is a formal schedule of matters reserved for the Board, as outlined in the Group's Corporate Governance Manual;
- A comprehensive system of financial reporting involving periodic reporting, budgeting, variance analysis and forecasting, of all business units;
- An Audit & Risk Committee, made up of Non-Executive Directors which reviews key control matters;
- There are policies and procedures in relation to key financial controls, capital expenditure, operational risk and treasury and credit risk management;
- All investment decisions are subject to formal levels of authorisation and approval; and
- Where professional expertise is necessary, professional advisors are engaged.

The Group has also put in place a system to identify and report on risks and associated controls. The Board has reviewed the outputs from this process during the year and adopted the risks and controls as appropriate for monitoring and reporting. The Board has also reviewed the risks identified to ensure they are still relevant for monitoring.

As outlined on pages 52 to 59, members of the Audit & Risk Committee periodically examine the operation of key accounting processes in the business and report back to the Committee.

Nomination & Governance Committee Report

Dear Shareholder,

I am pleased to present the report of the Committee for the year ended 31 December 2023. The report outlines the main areas of focus of the Committee in the past year and the areas of priority going forward.

Role of the Committee

The terms of reference for the committee are available at https://investors.datalex.com/about-datalex/corporate-governance.

The Committee assists the Board in discharging its responsibilities relating to the composition of the Board and corporate governance. The Committee is responsible for reviewing, identifying and recommending suitable candidates for appointment as Directors.

The Committee also has responsibility for recommending to the Board best practice corporate governance principles including providing insights on culture and values which support the Company's strategic priorities. The Company Secretary acts as secretary to the Committee and provides support as required. The Terms of Reference of the Nomination & Governance Committee, including its role and the authority delegated to it by the Board, and the standard letter of terms and conditions of appointment to the Board, are available on demand from the Company Secretary.

The Committee met twice in 2023. Member attendance at meetings is detailed below.

Committee Member	Meeting Attendance	Committee Tenure (at date of report)
John Bateson (Chair)	2/2	4 years(1)
Peter Lennon	2/2	4 years
Gillian French	-	7 Months(2)

(1) Tenure as Chair. Mr. Bateson was a member of the Committee prior to his appointment as Chair.
(2) Gillian French was appointed to the committee on 24 November 2023.

The Key Areas of Activity During 2023

Board Composition and Renewal

On an annual basis the Committee reviews the size, structure and composition of the Board, and makes recommendations to the Board with regard to any changes required, within the context of the ongoing development and evolution of the business. Prior to the appointment of Directors, the Committee evaluates the balance of skill, knowledge, experience and diversity of the Board, and in light of this evaluation, prepares a description of the roles and capabilities required for the appointments. The Committee also ensures that prior to the appointment of any new Director, the candidate has sufficient available time to discharge their duties as a Director. To facilitate the search for suitable candidates, the Committee may use the services of external consultants.

The notable key areas of activity during 2023 involved the processes leading to the appointment of Jonathan Rockett as Chief Executive Officer, the appointment of Gillian French as a Non-Executive Director to the Board and the subsequent change in composition of Board Committees following Gillian's appointment in June 2023.

The Committee, in conjunction with the Board, has stated its intention to further enhance the Board in the near future, with a particular emphasis on diversity.

The QCA Code states that at least half of the Board should be considered independent. The Board considers Mike McGearty and Gillian French to be independent. David Hargaden was considered independent on his appointment as Chairman on 7 November 2019 and his other commitments are set out on page 38.

Board Evaluation

As detailed on page 48, the Board conducts annual evaluations of its own performance and that of its Committees, Committee Chairmen and individual Directors. The next scheduled external review will be in 2024.

Experience and Skills

The Committee is responsible for ensuring that, through effective succession planning, the Board, its committees and senior management have the correct balance of skills, knowledge and experience to effectively lead the Group both now and in the longer term. During 2023, the Committee continued to consider the longer-term talent strategy to understand the changing competencies required to ensure the development of a skilled workforce which will support the Group's strategy, purpose, culture and values.

Corporate Governance Developments

The Committee advises the Board on significant developments in the law and practice of corporate governance and monitors the Company's compliance with corporate governance best practice, with particular reference to the QCA Code.

Diversity

The Group recognises the importance and benefit of ensuring diversity throughout the organisation. The Board has adopted a Board Diversity Policy, the objective of which is to ensure that all Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The policy also acknowledges that an effective Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences are considered in determining the optimum composition of the Board and when possible will be balanced appropriately.

Throughout the Group, a total of 21 nationalities are represented within our workforce, and we strive to ensure that our culture promotes and respects everyone, irrespective of nationality or gender. The Board also acknowledges the importance of promoting female participation at all levels in the Group. As of 31 December 2023, women made up 26.2% (2022: 27.1%) of total employees, 22.2% (2022: 41.7%) of the Executive Leadership Team and 25.9% (2022: 36.8%) of senior management (top two levels) in the Group.

Priorities for the Year Ahead

Our priorities for the coming year will include refreshment of the Board in 2024, with an emphasis on diversity and thereafter an appropriate further reconstitution of the Board Committees in light of the requirements of the QCA Code. The Committee will also focus on ensuring appropriate management development and comprehensive succession planning across the organisation with a particular emphasis on the Executive Leadership Team.

On behalf of the Nomination & Governance Committee.

John Bateson
Chair, Nomination & Governance Committee

19 June 2024

Audit & Risk Committee Report

Dear Shareholder,

I am pleased to present the report of the Audit & Risk Committee for the year ended 31 December 2023. This report outlines the main areas of focus of the Committee in the past year and the areas of priority going forward.

Role of the Committee

The terms of reference for the committee are available at https://investors.datalex.com/about-datalex/corporate-governance.

The Committee has been charged by the Board of Directors ("Board") with the task of providing governance and oversight over the integrity of the accounting, financial reporting, internal control and risk management processes of the Group. It also monitors the performance of the internal and external auditors.

The Committee has written terms of reference which set out its role, responsibilities and duties. These can be obtained on request from the Company Secretary. To discharge its responsibilities effectively, the Committee has unrestricted access to the Group's external auditor, the Group's internal auditor, and the finance function, with whom it meets throughout the year with, and without, management, as appropriate.

These meetings with the external and internal auditors ensure that there are no restrictions on the scope of their audits and allow discussion of any matters that the auditors might not wish to raise in the presence of management.

The Committee may obtain, at the Group's expense, outside legal or other professional advice needed to perform its duties. The Chair of the Committee reports to the Board on the key outcomes from each meeting and on how the Committee has discharged its duties. The minutes of all Committee meetings are circulated to the Board for information.

Only members of the Committee have a right to attend Committee meetings. Regular attendees include the Chief Executive Officer, Chief Financial Officer and employees from a variety of departments to aid their understanding of the business and to assist in discharging their duties. The external auditor, Deloitte Ireland LLP ("Deloitte"), also attends Committee meetings and has direct access to the Chair of the Committee. The Company Secretary acts as secretary to the Committee and provides support as required.

The Committee met 5 times in 2023. Member attendance at meetings is detailed below.

Committee Member	Meeting Attendance	Committee Tenure (at date of report)
Mike McGearty (Chair)	5/5	4 years
David Hargaden	5/5	4 years

David Hargaden and I both have recent and relevant experience working with financial and accounting matters with competence in accounting and experience of preparing Parent Company and Consolidated Financial Statements under IFRS. All members of the Committee have financial and commercial experience relevant to the industry and the broader commercial environment within which we operate. Therefore, the Committee, the Nomination and Governance Committee and the Board are satisfied that the Committee, as a whole, has competence relevant to the sector in which the Group operates.

Key Areas of Activity During 2023

2023 was another busy year for the Audit & Risk Committee with time being spent dealing with the 2022 audit, overseeing the enhancements to the Group's financial and operational internal control environment and assessing the reasonableness of the Group's going concern basis. The Audit & Risk Committee continues to engage with management to drive control and oversight improvements.

During 2023, the committee received regular updates on enhancements to the Group's control environment, the engagement of new personnel in finance and certain newly introduced processes. Additionally during 2023, we appointed Grant Thornton as our internal auditors who will help to assess and recommend improvements to our control environment.

Our auditor, Deloitte Ireland LLP ("Deloitte") were appointed on 31 December 2019. On an annual basis, the Committee reviews the appointment of the external auditor, taking into account the auditor's effectiveness and independence. On that basis, the Committee recommended to the Board that Deloitte should continue in office as the auditor to the Group in respect of the year ending 31 December 2023.

In addition to having Terms of Reference, the Audit & Risk Committee also agrees a committee schedule of items which it considers to be of significance in order to ensure that all items are discussed appropriately and on a timely basis.

The Audit & Risk Committee assists the Board in discharging its responsibilities with regard to:

Matter Considered	Actions Taken
Financial Reporting	› Monitoring the integrity of the Financial Statements and the formal announcements relating to the Group's financial performance. › Reviewing significant financial reporting judgements. › Assessing and reporting on the appropriateness of the Group's going concern basis. › Considering the report of the external auditor on the Financial Statements and the year-end audit. › Ensuring compliance with relevant regulations for financial reporting. In advance of the year-end audit work, the Committee received the external auditor's 2023 year-end audit plan. Throughout the final audit process, the Chairman of the Audit & Risk Committee held a number of meetings with the external audit partner to discuss the status of the field work and areas of focus arising.
Annual Report	The Committee has considered whether the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In conducting this assessment, the Committee assessed the work undertaken by management in the preparation of the Financial Statements and the Annual Report, and the arrangements for review and verification of the information contained in the Annual Report. The Committee also considered that the content of the Annual Report provides both positive and negative aspects of performance and developments in a clear and meaningful way as well as the links between discussions of performance, financial position and cash flows. The Committee was provided with all relevant information and with detailed briefings from management on how specific issues are managed and challenged management as required.
External Audit	The Audit & Risk Committee is responsible for: › Reviewing and making a recommendation to the Board in relation to the continued appointment of Deloitte as the external auditor and, as a Committee, approving Deloitte's remuneration and terms of engagement for the 2023 financial year. › Considered the External Audit Plan for 2023 presented by Deloitte, including consideration of its key areas of risk and the audit approach applied by Deloitte, the proposed areas of coverage of Deloitte's audit and any changes thereto during the year. › Considering Deloitte's updates during 2023 in relation to the External Audit Plan and related actions. › Evaluating the performance of Deloitte, including its independence, objectivity and monitoring any non-audit services provided by Deloitte. › Reviewing and approving the Group's Non-Audit Services Policy (the Non-Audit Policy) and, in advance, approving any non-audit services and related fees to be provided by Deloitte during 2023. › Considering the Management Letter presented to the Group by Deloitte in May 2023 after the completion of the annual audit.

Matter Considered	Actions Taken
Internal Audit	The Committee appointed Grant Thornton as a suitably qualified, independent third party to provide internal audit services on an outsourced basis in 2023. The Audit & Risk Committee is responsible for: › Monitoring and reviewing the effectiveness of the Group's Internal Audit function. › Considering the results of internal audits undertaken and management's responses to the findings, including updates on actions identified. › Approving any changes to the Internal Audit Plan for 2023 and approval of the Internal Audit Plan for 2024. › Reviewing and approving amendments to the Internal Audit Charter.
Risk Management and Internal Control	The Audit & Risk Committee is responsible for: › Assessing the appropriateness of the Group's overall risk management and internal control framework. › Ensuring that there is a robust process in place to monitor and evaluate the principal risks to which the Group is exposed, including those that would threaten its business model, future performance, solvency or liquidity. › Reviewing the Group's whistleblowing arrangements by which employees may, in confidence, simply and anonymously, raise concerns about possible improprieties in matters of financial reporting or indeed any other matters of concern. › Reviewing processes for detecting fraud, misconduct and control weaknesses and considering responses to any such occurrence.
Accounting Review	The Audit & Risk Committee has active oversight over the finance function: The Audit & Risk Committee: › Has a regular schedule of meetings with the CFO and other Finance team members as appropriate; a total of 5 meetings were held in 2023 (details of attendance by members is noted above). › Oversaw the stabilisation of changes to the Group's finance structure that were introduced in the previous year. › Reviewed the interim Financial Statements for the period 30th June 2023. › Reviewed Euronext Announcements regarding market guidance and updates.

Matter Considered	Actions Taken
Internal Controls Review	In May 2023, the Group was presented with a Management Letter from Deloitte after the completion of the year end audit. It noted several areas for improvement in relation to Internal Controls, including Revenue Recognition and Intangible Assets. Throughout the remainder of 2023 the Committee received regular updates from the finance team in relation to the actions being undertaken and implemented in order to mitigate the potential weaknesses identified. Throughout 2023, there has been a continuous focus on the improvement in the quality of quantitative and qualitative reporting to the Board along with appropriate levels of challenge and questioning which are designed to ensure robust internal and external reporting. The operation of a delegated control framework across the Group ensures that significant transactions and contracts are reviewed, challenged and assessed prior to the Group entering into new commercial arrangements. The Committee reviewed the recommendations arising from reviews previously undertaken by the Group's internal audit function and received regular updates on the actions being taken in response to those recommendations. The Committee continues to provide oversight of and continually assesses the Group's material risks and effectiveness of internal controls. The ongoing development of risk management and internal controls to ensure that they remain effective is a priority for the Board.
Other	In addition to the above areas, the Audit & Risk Committee has undertaken the following: › Reviewing arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters; › Reviewing the effectiveness of the Group's internal control system through delegated authority from the Board. In this regard, the Audit & Risk Committee reviews the Group Internal Risk Register periodically, as noted above; › The Committee closely monitors effectiveness of key business processes, internal control systems and the overall risk environment of the Group, examples of items which could be reviewed would include; critical resource levels, pricing of new contracts, and controls around service and quality levels; › Reviewing the communications with regulators; › Reviewing and monitoring the implementation of process improvements identified both by management, internal audit and the external auditor during the year and in prior years; › Reviewing the effectiveness of key accounting processes, such as the capitalisation of development expenditure and the revenue recognition process; › Reviewing the Committee's Terms of Reference; and › Reviewing the Committee's schedule of proposed matters for its 2024 meetings.

Significant Areas

The Audit & Risk Committee's reporting remit requires specific discussion in respect of the work the Audit & Risk Committee undertook during the year in discharging its responsibilities, and the significant issues it dealt with, and how such issues were addressed. Most importantly perhaps, it is expected that such matters would at least include those items communicated to the Board by the external auditor during the year.

The significant areas considered by the Committee were:

<table>
<tr><th>Matter Considered</th><th>Actions Taken</th></tr>
<tr><td>Going Concern Assessment</td><td>The Committee was fully involved in the Going Concern assessment, including review and challenge of the detail in each of the going concern scenarios and key assumptions used by management in forecasting cashflow projections.</td></tr>
<tr><td>IFRS 15 Revenue Recognition</td><td>The key judgments considered by the Committee in relation to revenue recognition for 2023 included:
› Determining contract term, considering renewal/ termination clauses;
› Identification of performance obligations (performed at contract inception);
› Assessing whether performance obligations are distinct;
› Establishing standalone selling prices for each performance obligation;
› Determining transaction price, inclusion of "variable consideration", bonuses, penalties;
› Recognition of revenue for each performance obligation;
› Consideration of revenue recognition for new customers in line with Group policy; and
› Consideration of revenue recognition for terminated customers in line with Group policy.

The Committee reviewed the assessment of each key judgment in accordance with accounting standard IFRS 15, Revenue from Contracts with Customers. Following these discussions, the Committee is satisfied that the significant judgement exercised in determining individual performance obligations, determining appropriate Standalone Selling Prices, whether certain performance obligations should be bundled and the identification of material rights are appropriate.</td></tr>
<tr><td>Classification of Exceptional Items</td><td>The Committee reviewed all elements of the exceptional items. In particular, the Committee reviewed the classification of Statement of Profit and Loss items as exceptional, including a review of the professional fee details relating to investigations and litigation procedures. The Committee considered the assessment and content of the provision for costs associated with complying with regulatory investigations.

In addition, the Committee assessed the treatment of severance costs associated with restructuring redundancies made during the year.</td></tr>
</table>

Matter Considered	Actions Taken
Capitalisation of Development Costs	A total balance of US$1.3m was capitalised in 2023. Recognising the judgments involved, the Committee reviewed the process and value of product development expenditure during 2023. The Committee was satisfied with the treatment of development expenditures. The Committee are further satisfied from examining future budgets that the projected future economic benefits associated with these capitalised costs is greater than their current carrying value.
Impairment of Investments in Subsidiaries (Company)	The Committee reviewed the judgements regarding the future financial performance of the subsidiaries. Investments in subsidiaries are reviewed for indicators of impairment or impairment reversal at each Statement of Financial Position date or earlier if events or circumstances indicate that the carrying amount exceeds its recoverable amount. This review includes a range of assumptions as well as subsequent events.

Independence of External Auditor

Our external auditor, Deloitte, was appointed for the 2019 year-end on 31 December 2019 and continue to act as external auditor. Our lead audit engagement partner is Daniel Murray.

The Committee's policy on the provision of non-audit services by the external auditor is that such services should only be provided where alternative providers do not exist or where it is cost effective or in the Group's interest for the external auditor to provide such services. In all cases the provision of non-audit services is carefully monitored by, and subject to, the prior approval of the Committee.

The external auditor would not be invited to provide any non-audit services where it was felt that this could conflict with their independence or objectivity. Such services would include the provision of internal audit and management consulting services. The policy exists to ensure that the external auditor does not audit its own work, participate in activities that would normally be undertaken by management, have a mutuality of financial interests with the Group or act in an advocacy role to the Group.

Effectiveness of External Audit

The Committee has reviewed the effectiveness of external audit. The Board received the Audit Plan including judgments about materiality, selection of areas of focus and related audit approach including the applicable key audit evidence tailored to the Group's operations and systems.

The Committee monitored the conduct and effectiveness of external audit during the year through a review of:

- The experience and expertise of the audit firm and its key audit team members;
- The fulfilment of the external audit plan and any variations from this plan;
- The auditor's understanding of the Group's business and industry, the environment in which the Group operates and of the applicable legal and regulatory framework;
- The auditor's assessment of key areas of focus throughout the audit;
- Interaction between management and the auditor, including ensuring that management dedicates sufficient time to the audit process;
- Communication with, and support to, the Committee including their assessment of new accounting and corporate governance developments;
- The content of external reports and their ability to raise potential issues as they become aware thereof;
- Independence, objectivity and scepticism; and
- The auditor's recommendations on internal controls.

Private discussions are held with the external auditor at the Audit & Risk Committee meeting when the audit findings are presented to provide additional opportunity for open dialogue and feedback from the Committee and the auditor without management being present. In addition to these private meetings, the Audit and Risk Committee Chairman met with the external audit partner to facilitate effective and timely communication.

Internal Audit

The Committee appointed Grant Thornton as a suitably qualified, independent third party to provide internal audit services on an outsourced basis in 2023.

The committee are responsible for approving the Internal Audit Plan. The focus of the plan for 2023 was the strengthening of internal controls and processes based on recommendations from previously conducted reviews. Throughout the year, the committee have engaged with management to oversee and drive the implementation of these recommendations.

The Group is currently reviewing the Internal Audit plan for 2024, with a view to conducting further reviews.

Annual Evaluation of Performance

As detailed on page 48, the Board conducts an annual evaluation of its own performance and that of its Committees, Committee Chairmen and individual Directors. The conclusion from the 2023 process was that the performance of the Audit & Risk Committee and of the Chairman of the Committee were satisfactory. The Committee will focus on agreed actions arising from the 2023 evaluation process.

Priorities for the Year Ahead

The focus of the Audit & Risk Committee for 2023 has been and continues to be the ongoing strengthening of internal controls, risk management framework and financial reporting.

The Committee will continue to monitor governance and ensure adequate oversight over the integrity of the Group's financial reporting and the Group's internal control and risk management frameworks as well as the Internal Audit function and Deloitte as the external auditor.

On behalf of the Audit & Risk Committee.

Mike McGearty
Chair, Audit & Risk Committee

19 June 2024

Remuneration Committee Report

Dear Shareholder,

I am pleased to present our Remuneration Report for the year ended 31 December 2023. The Report includes the following sections:

- This Chairman's Introduction
- Remuneration Policy Summary
- Annual Report on Remuneration

Role Of The Committee

The terms of reference for the committee are available at https://investors.datalex.com/about-datalex/corporate-governance.

The Committee has responsibility for determining, within agreed terms of reference, the Group's policy on compensation of Directors and senior executives and making recommendations to the Board of Directors ("Board") on the Group's policy on executive remuneration, determining the remuneration and benefits of the Executive Directors and Company Secretary and recommending and monitoring the remuneration of senior management below Board level.

The Terms of Reference of the Remuneration Committee, including its role and the authority delegated to it by the Board, are available on demand from the Company Secretary. The Company Secretary acts as secretary to the Committee and provides support as required. The Committee met 4 times in 2023. Member attendance at meetings is detailed below.

Committee Member	Meeting Attendance	Committee Tenure (at date of report)
Peter Lennon (Chair)	4/4	24 years
Dermot Halpin(1)	1/2	-
David Hargaden	4/4	4 years
Mike McGearty(2)	4/4	-
Gillian French(2)	-	7 Months

(1) Dermot Halpin resigned on 22 June 2023.
(2) Mike McGearty retired from the Remuneration Committee on 24 November 2023 and was replaced by Gillian French.

As evidenced by the Board member biographies on pages 38 and 39, the Committee, both individually and collectively, possess significant experience and expertise in remuneration matters across a range of companies and industries. None of the Committee members have any financial interest other than as shareholders in the matters to be decided by the Committee and no potential conflicts of interests arising from cross Directorships.

The QCA Code requires that every member of the Remuneration Committee must be independent. In 2023 the Board considered the position of Mr. Lennon as a member of the Committee as he is not considered to be independent. The Board considered it appropriate for Mr. Lennon to continue to serve as Chairman of the Committee given his experience serving on remuneration committees. The Chairman absents himself from discussion around his own remuneration.

Remuneration Policy

At our AGM in September 2020, shareholders overwhelmingly endorsed the new Datalex Remuneration Policy. Willis Towers Watson provided advice to the Remuneration Committee in relation to competitive positioning and developments in remuneration policy and practice. Willis Tower Watson has no other connection with the Group or its individual Directors.

The Group's policy in respect of the remuneration of Executive Directors is based on attracting, retaining and motivating executives to ensure that they are incentivised to successfully implement the Board's strategy and that remuneration is aligned with the interests of shareholders and other stakeholders over the longer term.

Performance related elements of remuneration are designed to form an appropriate portion of the overall remuneration package of Executive Directors and link remuneration to business performance and individual performance, while aligning the interests of Executive Directors with those of shareholders. The Directors' Remuneration Policy focuses on incentivising the successful implementation of our corporate strategy, consistent with our risk management framework.

In its decision-making process regarding the determination of the revised Remuneration Policy, the Remuneration Committee considered its appropriateness to support the business, its alignment with shareholders' interests and evolving best practice and regulatory developments. The Committee developed the Policy considering the views and consulted with the Company's major shareholders, whose views were overall very positive. The Committee was mindful of managing any conflicts of interest during the process and no individual was involved in determining his/her own arrangements.

The Remuneration Policy is set out below. The Remuneration Policy has provided the framework for remuneration decisions made by the Remuneration Committee from the date of the 2020 Annual General Meeting. As an Irish-incorporated Company listed on Euronext Growth, Datalex is not required to submit its remuneration policy to a shareholder policy vote. However, we recognise the importance of having remuneration policies, practices and reporting that reflect best corporate governance practices. The Committee will continue to report its remuneration policy annually in its annual report to shareholders and will continue to put the Remuneration Report to an advisory, nonbinding shareholder vote at the AGM.

Performance for the Year

2023 was a positive year for both Datalex and the airline industry overall, having shown strong levels of resilience and recovery following the severe impact of the pandemic in the years preceding. Despite this, the airline industry continued to face challenges associated with capacity constraints and intermittent flight cancellations, along with widespread inflation driven by the macro-economic landscape. Adjusted EBITDA for the year was a loss of US$2.9m (2022: Adjusted EBITDA loss of US$5.3m).

Bonuses

Datalex offers an annual bonus to incentivise and reward delivery of the Group's business strategy and financial targets. Bonuses were not paid to Executive Directors during the year.

Long Term Incentive Plan and Save As You Earn Scheme

At the 2020 AGM, shareholders approved the Datalex Long Term Incentive Plan 2020 (the "LTIP 2020") and a new Irish Revenue approved savings related share option scheme (the "SAYE Scheme"). A change to the LTIP 2020 was approved by the shareholders at the 2023 AGM to authorise the Company to award performance shares, in addition to share options, to employees based on performance. The purpose of LTIP 2020 is to support employee recruitment and retention, align the interests of employees with those of the Group's shareholders and reflect the Group's policy of long-term performance-based incentives. The SAYE Scheme will give all eligible employees of the Company and its subsidiaries the opportunity to invest in the Company's Ordinary Shares in a tax-efficient way.

Shareholder Engagement

During 2023, the Committee considered shareholder views and expectations as expressed in investor guidelines and has sought to align the Remuneration Policy with these expectations, as well as market best practice and relevant regulatory requirements. Datalex is committed to an ongoing dialogue with our shareholders on remuneration arrangements and is always open to hearing and carefully considering any investor feedback. At the 2024 AGM, a resolution proposing this Remuneration Report will be put to shareholders on an advisory non-binding basis. The Chair of the Remuneration Committee attends the Annual General Meeting to answer questions on the Report, on the Committee's activities and matters within the scope of the Committee's responsibilities. Details of shareholders' proxy votes on the Remuneration Report in 2023 are set out on page 75.

External Advice

The Committee seeks independent advice when necessary, from external consultants. No such advice was sought in 2023.

Annual Evaluation of Performance

As detailed on page 48, the Board conducts annual evaluations of its own performance and that of its Committees, Committee Chairmen and individual Directors.

Priorities for the Year Ahead

Our priorities for the coming year will include a review of our Remuneration Policy to ensure the Company is appropriately positioned to attract the talent required for the Group's growth ambitions and to undertake a comprehensive review of the Company's compensation structures and plans.

Conclusion

We hope to receive your support for the Remuneration Report at the 2024 AGM.

On behalf of the Remuneration Committee.

Peter Lennon
Chair, Remuneration Committee

19 June 2024

Remuneration policy

At the 2020 AGM, shareholders approved the Datalex Remuneration Policy on an advisory, non-binding basis, in accordance with European Union (Shareholders' Rights) Regulations 2020. Following the Company's migration to the Euronext Growth market in July 2021, the European Union (Shareholders' Rights) Regulations 2020 no longer apply to the Company. However, the Committee will continue to report on its remuneration policy annually in its annual report to shareholders and will continue to put the Remuneration Report to an advisory, nonbinding shareholder vote at its AGM.

Performance related elements of remuneration are designed to form an appropriate portion of the overall remuneration package of Executive Directors and link remuneration to business performance and individual performance, while aligning the interests of Executive Directors with those of shareholders.

In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other international companies of similar size and scope and trends in executive remuneration generally. The Remuneration Committee seeks to ensure:

- that the Group will attract, motivate and retain individuals of the highest calibre;
- that executives are rewarded in a fair and balanced way for their individual and team contribution to the Group's performance;
- that executives receive a level of remuneration that is appropriate to their scale of responsibility and individual performance;
- that the executives are sufficiently incentivised to successfully implement the Board's strategy and that remuneration is aligned with the interests of shareholders and other stakeholders over the longer term; and
- that risk is properly considered in setting remuneration policy and in determining remuneration packages.

Element	Operation	Maximum Opportunity
Base Salary		
Attract and retain skilled and experienced senior executives	The Committee's policy is to set base salaries that are competitive, that attract and retain executives, reflect the size and scope of the role and business, and the market for similar roles. Salaries are reviewed annually, though there is no guaranteed annual increase. In setting and reviewing salary levels, the Committee takes into account the performance of the Group and the Executive Directors (their progression in the role and individual performance, informed by the Nominations and Governance Committee), skills and experience, and pay levels of similar sized companies and peers.	There is no maximum salary opportunity. However, any increases will be made in the context of the financial performance of the Group and will normally be in line with increases awarded to colleagues in the wider business. In addition, the Committee will take into account the factors as outlined under 'Operation' in determining salary increases. Where warranted, for example, in cases of promotion, the Committee may make more significant salary awards to colleagues to reflect progression in the role (for example, staged increases over time following appointment to a new role).

Element	Operation	Maximum Opportunity
Benefits		
To provide market competitive benefits	The Group provides benefits that are competitive with market practice to support the recruitment and retention talent. Executive Directors are entitled to benefits including, but not limited to, a car allowance (and other car/transport benefits), private health provision, life assurance, income protection scheme, and contributions toward professional membership subscriptions.	The cost of providing benefits can vary from year to year, dependent on the nature of the benefit and insurance premium costs. As such, there is no maximum benefits opportunity, and benefits will be maintained at a level to ensure market competitiveness.
Pension		
To reward sustained contribution	Current and new hire Executive Directors are entitled to participate in the Datalex Pension Scheme (a defined contribution scheme). This scheme is offered to ensure the Group is market competitive in its pension offering.	Executive Directors are eligible to receive a matched pension contribution up to a maximum of 7.5% of salary, which is aligned with the rate available to the wider workforce.
Annual Bonus		
To reward the achievement of annual performance targets	Datalex offers an annual bonus to incentivise and reward delivery of the Group's business strategy and financial targets. Bonus awards are made annually and are reflective of achievement of both financial and non-financial performance measures. In determining bonus outcomes, the Committee independently assesses performance conditions applicable to the annual bonus. The Committee has the ability to exercise discretion when authorising outcomes under the Annual Bonus plan to adjust outcomes upward or downward (including to zero), taking account of Company and individual performance and wider circumstances.	The maximum annual bonus award level for Executive Directors under the plan is 50% of salary. Annual bonus awards are currently subject to the following performance measures: › Company financial performance › Individual performance › Values performance Bonus payment is contingent on achievement of budgeted EBITDA (Earnings before interest, tax, depreciation and amortisation). The measures, weightings and operation are reviewed and set by the Committee on an annual basis, including removing and changing performance measures to align with Company and shareholders' best interests, and any such changes will be clearly disclosed in the Remuneration Report on a retrospective basis.

Element	Operation	Maximum Opportunity
Long Term Incentive Plan		
To align the interests of executives with those of the Group's shareholders and to reflect the Group's culture of long-term performance based incentivisation	Awards under The Datalex PLC Long Term Incentive Plan 2020 ("LTIP") are designed to align the interests of the Executive Directors with those of shareholders and reward the delivery of long- term strategic performance objectives and the creation of shareholder value through the execution of strategy. Annual LTIP awards will be allocated at the discretion of the Remuneration Committee. To facilitate recruitment, the Remuneration Committee may authorise 'off-cycle' awards. Awards will normally vest a third, a third, a third annually but will not be exercisable until the third anniversary of their grant. Participants are not eligible for any dividends/ dividend equivalent payments on the award prior to the exercising of any award made. Awards are subject to malus and clawback provisions under the following circumstances where: › there has been a material misstatement of the Group's Financial Statements; › an Executive Director (as a participant) is guilty of gross misconduct or fraud; and › the Committee determines that the Company suffered reputational damage as a result of the actions or inactions of an Executive Director (as a participant). The clawback provision lasts for two years following the vesting of an award. For future awards, the Committee has discretion to implement a post-vesting holding period on any award. The scheme cannot be altered to the advantage of the participants without the prior approval of shareholders in general meeting (except minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the Company operating the scheme or for members of its Group). LTIP Awards will not form part of a participant's pensionable earnings.	The maximum annual face value award level to an individual participant may not in normal circumstances exceed 100% of salary. The initial vesting of the LTIP awards will be determined by performance against performance targets agreed by the Committee at the time of grant. The Committee will select appropriate performance metrics, for example Revenue, EBITDA, Earnings per Share, Return on Invested Capital or Total Shareholder Value. Achievement of threshold performance level (90%) will ordinarily result in vesting of 90% of the award, with 100% vesting for maximum performance, with straight-line vesting between 90% and 100%. The vesting of LTIP awards is also subject to the Remuneration Committee being satisfied that the Company's underlying financial performance has shown a sustained improvement in the period since the date of grant. The measures, weightings, and operation of the LTIP are reviewed and set by the Committee on an annual basis, including removing and changing performance measures to align with Company and shareholders' best interests, and any such changes will be clearly disclosed in the Remuneration Report. The number of shares that may be issued under the LTIP and any other discretionary employee share plan (other than shares that may be issued under awards granted prior to the approval of the LTIP under a historic share plan) is limited to 10% of the aggregate issued ordinary shares of the Company over a ten-year period. LTIP Awards are granted subject to performance conditions that will be determined by the Committee at the time of grant. Performance will normally be measured on an annual basis over the three-year performance period.

Element	Operation	Maximum Opportunity
SAYE		
To align the interests of executives with those of the Group's shareholders and to reflect the Group's culture of long-term performance based incentivisation.	The Save As You Earn ("SAYE") Scheme provides for grants of awards over Ordinary Shares in the form of options in conjunction with a formal saving scheme with a qualifying institution. The purpose of the SAYE Scheme is to support the recruitment and retention of employees, align the interests of employees with those of the Group's shareholders and provide employees with a vehicle where they can purchase shares in Datalex in a tax efficient manner. Employees of the Group, including Executive Directors, are eligible to participate in the SAYE Scheme. The SAYE Scheme is an all-employee scheme and will be offered to all employees on similar terms and is a Revenue approved plan for Irish tax purposes.	All eligible employees who wish to participate must enter into a savings contract to make 36 monthly savings contributions. The current maximum individual savings contribution cannot exceed €500 per month. Executive Directors may contribute up to this limit (or to the same limit as other colleagues if amended – for example, because of changes in legislation). At the end of the savings period, it is envisaged that employees will have sufficient capital to fund the exercise of the options and thus acquire the underlying shares. Each employee joining the SAYE Scheme will be granted an option to acquire shares in the Company, at market value. The number of shares subject to the option will be determined at the time of grant and will be directly proportional to the level of savings to which the employee commits. The number of shares that may be issued in respect of the SAYE Scheme or any other discretionary employee share plan (other than shares that may be issued under awards granted prior to the approval of the SAYE Scheme under a historic share plan) may not exceed 10% of the issued ordinary share capital of the Company in any 10-year period. SAYE Options will vest in the ordinary course three years from the date of grant. SAYE Options shall be exercisable during the period commencing on the vesting date and ending six months following the vesting date.

Remuneration for the Wider Business

The Committee reviews wider colleague remuneration and related policies, aligning incentives and rewards with the Group's culture, and oversees any major benefits structure changes. The Committee takes the remuneration arrangements of employees generally into account when determining the arrangements for Executive Directors. For example, base salary increases for Executive Directors will normally be aligned with increases awarded to the wider workforce. The annual bonus operates in exactly the same way throughout the business, with the same overall financial measures and targets.

This alignment plays an important role in the Group meeting its strategic goals. Remuneration arrangements across the Group differ depending on the specific role being undertaken, the industry in which the business operates, the level of seniority and responsibilities, the location of the role and local market practice.

Malus and Clawback Policy

The Committee applies independent judgement and discretion when authorising outcomes under the Annual Bonus plan and has the ability to reduce the pay out of any awards (including to zero) should the Committee consider it appropriate to do so. LTIP awards are subject to malus and clawback provisions, which apply for two years following the vesting of a given LTIP award. The vesting of LTIP awards is also subject to the Remuneration Committee being satisfied that the Company's underlying financial performance has shown a sustained improvement in the period since the date of grant. LTIP awards may be clawed back or subject to a malus adjustment in the following circumstances:

- there has been a material misstatement of the Group's Financial Statements;
- an Executive Director (as a participant) is guilty of gross misconduct or fraud; and
- the Committee determines that the Company suffered reputational damage as a result of the actions or inactions of an Executive Director (as a participant).

Policy for Non-Executive Directors

Fees for Non-Executive Directors (excluding the Chairman) are determined by the Chairman and the Executive Directors. No Director shall be involved in any decisions as to their own remuneration. Levels of fees may be reviewed from time to time during the policy period, having regard to any significant changes in the size and scope of the role and the business, the necessary time commitment, and material changes in comparative market data for similar roles.

The fee paid to each Non-Executive Director is €50,000 per annum in respect of their services as Directors and the Chairman is paid an annual fee of €100,000 per annum. There was no change to the fees payable to Non-Executive Directors during the year. The Non-Executive Directors fees paid in 2023 are outlined on page 71.

The Non-Executive Directors have letters of appointment detailing the basis of their appointment. The terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the AGM of the Company.

Fees	Operation	Maximum Opportunity
A basic fee is paid for Board membership. Additional fees are payable to the Chairman.	The remuneration of the Chairman is determined by the Remuneration Committee for approval by the Board (excluding the Chairman). The remuneration of the other Non-Executive Directors is determined by the Chairman and the Chief Executive Officer for approval by the Board. The fees are reviewed from time to time, taking account of any changes in responsibilities and market practice.	No prescribed maximum annual increase but benchmarking and market practice will determine any change in fees. Non-Executive Directors do not participate in the Company's Annual Incentive and LTIP and do not receive any retirement benefits from the Company.

Policy on External Board Appointments

The Board recognises that there are benefits to both the Group and Executive Directors serving as non-executive Board members for other companies. As such, Executive Directors are permitted to take on external appointments with other companies, with the prior approval of the Board. Any fees paid in respect of these appointments are retained by the Executive Director.

Remuneration Policy for Recruitment of New Executive Directors

The Group's policy when recruiting new Executive Directors is to pay what is necessary to attract candidates with sufficient skills and experience to effectively deliver the Group's strategy.

In doing so, the Committee will take into account remuneration across the Group, including other Executive Directors, and that offered in similar positions in the market and other companies of similar size and complexity.

The Committee will look to appoint new Executive Directors with remuneration packages with the same structure and pay elements as described in the Policy Table above, whilst taking into account the individual circumstances (including current arrangements for internal promotions, and compensation for loss of remuneration from a previous employer) of candidates and existing Executive Directors.

The maximum variable pay opportunity will be in line with the above elements in the Policy table:

- Annual Bonus: Maximum performance can result in 50% of salary being earned.
- LTIP: The maximum annual award level to individual executive Directors is a face value 100% of salary.

If necessary, to facilitate an appointment, reasonable relocation benefits may be provided.

If an internal appointment is made, remuneration arrangements awarded prior to promotion to Executive Director level will continue to run in line with the schedule and conditions determined at time of grant.

In circumstances where the Committee determines that it is necessary for the recruitment of an Executive Director, additional cash and/or share-based payments may be awarded to compensate the Executive Director for the forfeiture of incentive awards made by the previous employer. In determining any such 'buy out', the Committee will undertake a review of the awards that the individual will lose and consider the likelihood of the awards vesting should the candidate have remained in their previous employment, the form in which they were awarded and the time over which they would have vested.

If it is determined that a buyout award is to be made, the structure and level will be carefully designed by the Committee taking the above into account and will reflect and replicate the previous awards as accurately as possible in terms of level and time horizon. Incentive buyouts will be liable to forfeiture or clawback in the event of early departure.

Service Contracts

The Group's policy is for Executive Directors to have rolling service contracts, with a notice period of six months. At its discretion, the Group may pay in lieu of notice, and the Committee will give careful consideration to any remuneration payable on any termination of employment to minimise the total cost of severance to the business. The service agreements of the Executive Directors are summarised in the table below:

Name	Contract effective date	Notice period (Director)	Notice period (Company)
Jonathan Rockett	09 November 2023	6 months	6 months

Policy for Leavers

The following table sets out how different elements of remuneration that would normally be treated for Executive Directors whose service with the Group terminates:

Termination reason	Salary	Contractual benefits (incl Pension)	Annual Bonus	LTIP
Resignation or gross misconduct	Paid to date of termination	Paid to date of termination	Eligibility ceases upon date notice commences (date of termination if summary dismissal for gross misconduct)	All unvested options will lapse immediately, unless at its absolute discretion the Committee decides otherwise. Vested options will become exercisable on termination unless termination is for gross misconduct where vested but unexercised options will lapse
Injury/ill health, Disability, death, retirement (with agreement of Datalex)	Paid to date of termination Note that in the case of ill-health, salary will be paid in full for the first 26 weeks of any absence	Paid to date of termination Note that in the case of ill-health, salary will be paid in full for the first 26 weeks of any absence	Eligible to be considered for a bonus, normally calculated on a time pro-rata basis	All unvested options will vest (subject to the achievement of the performance conditions) at the end of the performance period
Negotiated Termination	Paid to date of termination	Paid to date of termination	Eligibility ceases upon date of termination, however, the Committee retains discretion to override such outcomes	All unvested options will vest (subject to the achievement of the performance conditions) at the end of the performance period

Change of Control

In the event of a reorganisation or takeover, LTIP awards will automatically vest.

Derogation from the Policy

The Committee may derogate from or update this policy where doing so is necessary in exceptional circumstances, to serve the long term interests and sustainability of the Group as a whole or to assure its viability.

Annual Report on Remuneration

The following section sets out our Annual Report on Remuneration, outlines decisions made by the Remuneration Committee in relation to Directors' remuneration in respect of 2023 and how the Committee intends to apply the Remuneration Policy in 2024. This Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2024 AGM of the Company. The information on pages 70 to 75 has been audited.

Component[1]	Jonathan Rockett, CEO – USD$	Sean Corkery[4], Former CEO – USD$	Dan Creedon[5], Former CFO – USD$
Salary 2023	62,854	377,878	160,481
Pension Contributions 2023	4,714	28,341	-
Signing Bonus 2023[2]	238,928	-	-
LTIP awards granted 2023	967,233	-	-
Other Benefits 2023[3]	4,489	8,370	-

(1) This table refers to payments made during 2023.
(2) This balance represents a one-time signing bonus for Jonathan Rockett following his appointment as Chief Executive Officer in November 2023.
(3) These balances predominantly refer to health insurance and travel costs covered by the Company.
(4) Sean Corkery resigned on 31 December 2023.
(5) Dan Creedon resigned on 22 June 2023.

Executive Director Remuneration Payments 2023 (in US$'000s)

		Fixed Pay			Incentive Pay		
Executive Director	Full year	Base Salary	Pension Contributions	Other Benefits	Annual Incentive (Payable in Cash)[3]	Annual Incentive (Options)[4]	% Change annualised
Sean Corkery	2022	371	28	-	-	-	-
	2023	378	28	8	-	-	-
Niall O'Sullivan[1][2]	2022	-	-	-	-	120	-
	2023	-	-	-	-	-	-
Dan Creedon	2022	299	-	-	-	-	-
	2023	160	-	-	-	-	-
Jonathan Rockett[5]	2022	-	-	-	-	-	-
	2023	63	5	4	239	-	-

(1) Niall O' Sullivan resigned as a Director on 2 September 2021. Other Benefits includes $271,497 representing payment in lieu of notice and contractual amounts which were owing at 31 December 2021 and paid in January 2022.
(2) Following resignation, Niall O'Sullivan had a period to exercise share options which had vested at the date of his resignation.
(3) This balance represents a one-time signing bonus for Jonathan Rockett following his appointment as Chief Executive Officer in November 2023.
(4) This balance represents gains on options exercised during the period. The costs associated with Executive Directors options in the year was US$115k (Sean Corkery - US$35k, Jonathan Rockett – US$80k). The total share-based payment charge for all key management personnel is disclosed in Note 29.
(5) Jonathan Rockett was appointed on 9 November 2023.

Non-Executive Director Remuneration Payments 2023

Non-Executive Director	Base Fee US$'000	Chair Fee US$'000	Total US$'000	2022 Total US$'000
John Bateson	54	-	54	53
David Hargaden	-	108	108	106
Dermot Halpin	26	-	26	52
Mike McGearty	54	-	54	53
Peter Lennon	54	-	54	53
Gillian French	27	-	27	-

No changes were made to the (Euro denominated) Non-Executive Director fees during 2023.

The table below shows the year-on-year change and percentage change in the average remuneration of employees during the year ended 31 December 2023 compared to the year ended 31 December 2022.

Average remuneration on an FTE basis of employees of the Group.

	2023	2022
Average remuneration per FTE employee (1)	$101k	$94k
Percentage change versus prior year	7%	(12%)
Company Performance		
Loss after Tax	$9.0m	$11.5m
Percentage change versus prior year	22%	(135%)

(1) Average employee remuneration is calculated as the sum of wages and salaries, retirement benefit costs and other staff expense but excluding those costs related to Directors of Datalex plc. Social security costs and voluntary redundancy payments are not included. Divided by the average number of staff for the Group on a full-time equivalent basis excluding Directors of Datalex plc.

Annual Bonus

Executive Directors participate in an annual performance incentive scheme based on a combination of individual objectives and Group performance targets. The maximum annual bonus award level for Executive Directors under the plan is 50% of salary.

The measures, weightings and operation are reviewed and set by the Committee on an annual basis, including removing and changing performance measures to align with Company and shareholders' best interests, and any such changes will be clearly disclosed in the Remuneration Report on a retrospective basis. In 2023 Annual Bonus awards were subject to the following performance measures:

- Company Financial performance.
- Individual performance.
- Values performance Bonus payment is contingent on achievement of budgeted EBITDA.

No discretionary cash bonuses were paid or accrued in respect of the year ending 31 December 2023.

The breakdown and resulting bonus outcomes for 2022 for the Executive Directors were:

	Maximum Incentive (% of Salary)	2023 Bonus (% of salary)
Jonathan Rockett	50%	-
Sean Corkery(1)	50%	-
Dan Creedon(2)	50%	-

(1) Sean Corkery resigned on 31 December 2023.
(2) Dan Creedon resigned on 22 June 2023.

Long Term Incentives

The purpose of the Company's Long Term Incentive Plan is to align the interests of executives with those of the Group's shareholders and to reflect the Group's culture of long-term performance-based incentivisation.

2020 LTIP

Awards under The Datalex PLC Long Term Incentive Plan 2020 ("LTIP 2020") are designed to align the interests of the Executive Directors with those of shareholders and reward the delivery of long-term strategic performance objectives and the creation of shareholder value through the execution of strategy. Awards will normally vest one third annually over three years but will not be exercisable until the third anniversary of their grant. Participants are not eligible for any dividends or dividend equivalent payments on the award prior to the exercising of any award made. 3,700,000 options were granted to Executive Directors in 2023.

Performance Criteria and Vesting

LTIP Awards are granted subject to performance conditions that will be determined by the Committee at the time of grant. Performance will normally be measured on an annual basis over the three-year performance period. The LTIP performance conditions and performance against those targets in 2023 were as follows:

Performance condition	Revenue	Adjusted EBITDA	Customer Activations & Renewals
Weighting	37.5%	25%	37.5%
Definition	Achievement as against the Revenue Target for 2023.	Achievement as against the Adjusted EBITDA target for 2023.	Achievement of a new customer activation and key contract renewals in 2023
Vesting Level	Below 80% of Revenue target, none of the Award shall vest. Between 80% and 100% of Revenue target, straight line vesting shall occur.	Below 80% of Adjusted EBITDA Target, none of the Award shall vest. Between 80% and 100% of Adjusted EBITDA target, straight line vesting shall occur.	100% on achievement of Target.

The Committee has determined that the overall vesting level for 2023 was 75%.

Directors' & Secretary's Interests in the Share Awards

Details of outstanding share awards granted to the Directors and the Company Secretary under the 2020 LTIP are set out below:

	Date of Award	Exercisable Date	Expiry Date	At 1 Jan 2023	Granted/ (lapsed) during the year	Exercised during the year	At 31 Dec 2023	Exercise Price
Jonathan Rockett								
2020 LTIP	14 Dec 2023	1 Nov 2023	14 Dec 2028	-	1,233,333	-	1,233,333	€0.55
	14 Dec 2023	1 Nov 2024	14 Dec 2028	-	616,667	-	616,667	€0.55
	14 Dec 2023	1 Nov 2025	14 Dec 2028	-	616,667	-	616,667	€0.75
	14 Dec 2023	1 Nov 2026	14 Dec 2028	-	1,233,333	-	1,233,333	€0.75
Sean Corkery								
2020 LTIP	2 Dec 2020	2 Dec 2023	2 Dec 2025	1,000,000	(220,000)	-	780,000	€0.55
Dan Creedon								
2020 LTIP	5 Jan 2022	4 Jan 2025	4 Jan 2027	500,000	(500,000)	-	-	€0.95
Neil McLoughlin								
2020 LTIP	2 Dec 2020	2 Dec 2023	2 Dec 2025	250,000	(55,001)	-	194,999	€0.55
	13 May 2022	13 May 2025	13 May 2027	242,647	-	-	242,647	€0.75
	22 Jun 2023	22 Jun 2026	22 Jun 2028	-	90,993	-	90,993	n/a(1)
SAYE	1 Jul 2021	1 Jul 2024	31 Dec 2024	34,615	-	-	34,615	€0.55

(1) Performance Shares

Directors' & Secretary's Interests in Ordinary Share Capital

The Directors and Secretary (including the interests of spouses and minor children), who held office at 31 December 2023 in the issued ordinary share capital of the Company are set out in the table below. The interests disclosed below include both direct and indirect interests in shares.

Director and Secretary	No. Ordinary Shares at 31 Dec 2023	No. Ordinary Shares at 01 Jan 2023
John Bateson	-	-
David Hargaden	764,166	464,166
Mike McGearty	-	-
Gillian French	-	-
Neil McLoughlin	159,653	159,653
Peter Lennon	375,148	375,148
Jonathan Rockett	-	-

Director's interests in share options are set out in the "Directors' & Secretary's Interests in the Share Awards" table on page 73. These are the only share option scheme in which Directors have interests. The table below sets out the percentage of base salary held in shares in the Company by the current Executive Directors as at 31 December 2023.

Executive Director	% of base salary(1)
Jonathan Rockett	0%

(1) Calculated by reference to the Datalex plc closing share price on Euronext Growth on 30 December 2023.

Pensions for Executive Directors are provided under a defined contribution pension scheme. During 2023, two Directors were members of the Company defined contribution pension scheme (2022: one). The total pension contributions payable under the scheme during the year amounted to US$28,341 (2022: US$27,711) for Sean Corkery and USD$4,714 (2022: nil) for Jonathan Rockett.

Payments for Loss of Office

No payments for loss of office were made during the year under review.

Historical Incentive Plans

2012 Share Option Plan

The Datalex Share Option Plan 2012 ("2012 Plan") was approved by shareholders on 6 February 2012. Each option award currently outstanding under the 2012 Plan has been granted subject to performance conditions relating to the achievement by the Group of Adjusted EBITDA and cash performance targets, as established by the Remuneration Committee, in the three-year period commencing on grant date, with each condition applicable to one third, respectively, of the number of options subject to the award. No options have been granted to the Directors under the 2012 Plan. Please refer to Note 12 for further information.

Remuneration Policy Implementation in 2023

A summary of how the Remuneration Policy will be applied in 2024 is set out below. The Committee has considered the balance and metrics of each element of remuneration for the Executive Directors and believe that they are appropriate for the scale of the Company whilst reflecting evolving market practice and shareholder views.

Salary

The base salary of the CEO is detailed below.

Executive Director	1 January 2024 (US$'000)	1 January 2023 (US$'000)
Jonathan Rockett	377,878	-

Annual Bonus Metrics

The maximum annual bonus award level for Executive Directors under the plan in 2024 will be 50% of salary. Any bonus payment would be contingent on achievement of performance metrics established by the Remuneration Committee.

LTIP Performance Metrics for 2024

The 2024 Performance Criteria for the outstanding LTIP awards have been set as follows:

Performance condition	Adjusted EBITDA	Customer Activations	New Customer Win
Weighting	40%	40%	40%
Definition	Achievement as against the Adjusted EBITDA Target for 2024.	Key operational metrics associated with customer activations during 2024.	A signed new customer win in 2024.
Vesting Level	80% to 100% based on Adjusted EBITDA target achieved.	100%	100% on achievement of Target.

Pension

The pension contributions for the CEO is in line with the general workforce. No changes are proposed in 2024.

Shareholders Vote on Remuneration

In 2023, a resolution to approve the Remuneration Report was put to shareholders at the Company's AGM. Details of the votes case are set out below.

Vote	Total votes cast	Total votes for	Total votes against	Total abstentions
Advisory vote on 2023 Annual Report on Remuneration	64,518,722	64,403,111	115,611	-

At the 2024 AGM the Company intends to propose its 2023 Remuneration Report to shareholders.

Directors' Report

The Directors present their report to the shareholders with the audited Financial Statements for the year ended 31 December 2023.

Principal Activity, Review of Business and Future Development

The principal activity of the Group (which consists of Datalex plc and its subsidiary companies as listed in Note 28 to the Consolidated Financial Statements) is the development and sale of a variety of direct and indirect distribution and retailing software products and solutions to the airline industry. Shareholders are referred to the Chairman's Statement, Chief Executive Officer's Review, the Financial and Operational Review and the Risk Report which contain a review of operations and the financial performance of the Group for 2023, the outlook for 2024 and the key performance indicators used to assess the performance of the Group. These are deemed to be incorporated in the Directors' Report.

Results for the Year

The Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2023 and the Consolidated Statement of Financial Position at that date are set out on pages 96 and 94 respectively. The Group's loss for the year ended 31 December 2023 was US$9.0m (2022: loss of US$11.5m).

Dividends

The Board of Directors is not recommending that a dividend be paid in respect of the year ended 31 December 2023 (2022: US$nil cents per share).

Directors and Secretary

The names of the persons who were Directors at any time during the year ended 31 December 2023, and up to the date of this report, and a biographical note on each appear on pages 38 and 39. The Company Secretary's details are set out in the Executive Leadership Team on page 41.

All Directors retired at the Annual General Meeting of the Company on 22 June 2023 and, being eligible, offered themselves for re-election, and all were re-elected to the Board on the same day.

The constitution of the Company contains provisions regarding the appointment and retirement of Directors. At the Annual General Meeting (AGM) each year at least one-third of the Board shall retire by rotation and each Director who has not been appointed or re-appointed at or before the AGM held in the third calendar year before the current year shall retire by rotation. Notwithstanding this provision in the Company constitution the Board has resolved that all Directors will retire and will offer themselves for re-election at the AGM in 2024.

Directors' and Secretary's Interests

Details of the Directors' and Company Secretary's share interests and interests in unvested share awards of the Company are set out in the Remuneration Committee Report, which is incorporated by reference into this Directors Report, on page 73.

Corporate Governance

The Directors' Corporate Governance Statement on pages 42 to 49 sets out the Group's application of corporate governance principles and forms part of this Directors' Report. Attendance of, and questions from, shareholders at the Company's AGM are welcomed by the Board. The AGM also provides an opportunity for the Board to deliver presentations on the business to shareholders, both institutional and private.

Principal Risks and Uncertainties

The Group is required to give a description of the principal risks and uncertainties which it faces.

The principal risks and uncertainties reflect our competitive environment and the operating characteristics of our industry and a summary of these risks and uncertainties, together with details of how they are managed, is set out in the Risk Report on pages 30 to 33 and which is incorporated by reference into this Directors' Report.

Details of the financial risks to which the Group's operations are exposed and an understanding of how these risks are managed are set out in Note 31 to the Consolidated Financial Statements.

Employees

The Group's employees continue to be its most valuable asset and the health and safety of its employees is of particular importance to the Board. The Board recognised the importance of improving the work and home life balance and supported a hybrid model. The hybrid working model is defined as a flexible working arrangement where all employees conduct their duties both in the workplace and remotely.

Share Capital

As at 31 December 2023, the Company's authorised share capital comprised US$20,494,000, divided into 200,000,000 ordinary shares of US$0.10 each, representing 97.6% of the total share capital value, 3,000,000 'A', and 1,500,000 'B' convertible redeemable shares of US$0.10 each, representing 2.2% of the total share capital value and 30,000 deferred shares of €1.269738 each, representing 0.2% of the total share capital value.

At 31 December 2023, the Company had 132,684,701 ordinary shares in issue (31 December 2022: 132,677,010). At 31 December 2023, the ordinary shares are listed on the market of Euronext Growth, Dublin. The rights attaching to these shares are set out in the Notes to these Consolidated Financial Statements, in particular Note 12 and are deemed to form part of this report.

General Meetings

The Company's Annual General Meeting ("AGM") affords shareholders the opportunity to meet and ask questions of the Chairman and the Board. The notice of the Annual General Meeting, the Form of Proxy and the Annual Report are issued to shareholders at least 21 clear days before the meeting. At the meeting, resolutions may be voted on by a show of hands of those shareholders attending, in person or by proxy. After each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the number of votes for, against and withheld.

Alternatively, resolutions can be voted by way of a poll whereby the votes of shareholders present and voting at the meeting are added to the proxy votes received in advance of the meeting and the total number of votes for, against and withheld for each resolution are announced. Details of proxy votes received are made available on the Company's website following the meeting.

All other general meetings of the Company are called Extraordinary General Meetings ("EGMs"). An EGM called for the passing of a special resolution must be called by providing at least 21 clear days' notice. Provided shareholders have passed a special resolution at the immediately preceding Annual General Meeting and the Company allows shareholders to vote by electronic means, an EGM to consider an ordinary resolution may, if the Board deems it appropriate, be called by providing at least 14 clear days' notice.

A quorum for a general meeting of the Company is constituted by three or more shareholders present in person or by proxy and entitled to vote. The passing of resolutions at a meeting of the Company, other than special resolutions, requires a simple majority. The Company's Articles of Association provide that the Chairman has a casting vote in the event of a tie. To be passed, a special resolution requires a majority of at least 75% of the votes cast. Shareholders have the right to attend, speak, and ask questions and vote at general meetings. A member entitled to attend, speak and vote at a general meeting is entitled to appoint a proxy to attend, speak and vote on his or her behalf. A proxy need not be a member of the Company.

In accordance with Irish Company Law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the register of members of the Company to be entitled to attend. Record dates are specified in the notice of general meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notice of general meeting. A shareholder, or a group of shareholders, holding at least five percent of the issued share capital of the Company, has the right to requisition a general meeting.

The business of the Company is managed by the Board who may exercise all the powers of the Company as are not by the Act or by the Articles required to be exercised by the Company in the general meeting. Matters reserved by the Act to the shareholders in the general meeting include:

- Election of Directors;
- Payment of dividends;
- Appointment of external auditors;
- Amendments of the Constitution;
- Measures to increase or reduce the share capital; and
- Authority to issue shares.

EGMs Held in 2023

There were no EGMs held during 2023.

Constitution

The Company's Constitution is made up of the memorandum of association and the articles of association and sets out the objects and powers of the Company and may be amended by a special resolution passed by the shareholders at a general meeting of the Company.

Substantial Holdings

As at 31 December 2023 and 19 June 2024 (being the latest practicable date before approval of this Annual Report), the Company had been notified of the following details of interests of over 3% in the ordinary share capital of the Company.

Except as disclosed above, the Company has not been notified of any other interest of 3% or more in its issued ordinary share capital nor is it aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

Subsidiary Companies

The information required by the Companies Act, 2014 in relation to subsidiary undertakings is provided in Note 28 to these Consolidated Financial Statements.

	At 31 December 2023		At 19 June 2024	
Name of holder	Number of US$0.10 ordinary shares	% of issued share capital	Number of US$0.10 ordinary shares	% of issued share capital
IIU Nominees Limited	53,503,981	40.32%	53,503,981	40.32%
Pageant Investments Limited	9,341,944	7.04%	10,941,473	8.25%
Sean O'Driscoll	5,475,000	4.13%	7,041,000	5.31%
Nick Furlong	3,982,825	3.00%	3,982,825	3.00%

Accounting Records

The Directors are responsible for ensuring that adequate accounting records are maintained by the Group. The Directors believe that they have complied with this requirement through the employment of suitably qualified accounting personnel and the maintenance of appropriate accounting systems. The accounting records are kept at the Company's registered office in Marina House, Block V, EastPoint, Dublin, D03 AX24, Ireland.

Going Concern

The Directors' statement on going concern is detailed on pages 34 to 35 and Note 2.5 in the Consolidated Financial Statements.

Subsequent Events

Information in respect of events since the year end is contained in Note 32 to the Consolidated Financial Statements.

Political Donations

The Group and the Company did not make any political donations during the year ended 31 December 2023 (2022: US$nil).

Development Activities

The Group actively engages in research and development activities relevant to its business. Expenditure on research and development amounted to US$1.8m in 2023 (2022: US$3m), of which US$1.3m (2022: US$2.4m) was capitalised as development expenditure as disclosed in Note 5 to the Financial Statements.

Director's Compliance Statement

It is the Company's policy to comply with its relevant obligations (as defined by Section 225 (2)(a) of the Companies Act 2014). The Directors have drawn up a compliance policy statement (as defined in section 225 (3)(a) of the Companies Act 2014) and arrangements and structures are in place that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations.

The Directors confirm that these arrangements and structures were reviewed during the financial year. As required by Section 225 (2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations.

In discharging their responsibilities under Section 225, the Directors relied on the advice both of persons employed by the Company and of persons retained by the Company under contract, who they believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Audit & Risk Committee

The Company has an Audit & Risk Committee, details of which have been included on pages 52 to 59.

Information to the Auditor

The Directors in office at the date of this report have each confirmed that:

- As far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The Board, pursuant to a process to appoint an auditor for the year ending 31 December 2019, appointed Deloitte on 31 December 2019. The auditor, Deloitte, will continue in office in accordance with the provisions of Section 383 of the Companies Act 2014. As required under Section 381 (1)(b) of the Companies Act 2014, a resolution authorising the Board to determine the remuneration of the auditor will be proposed at the 2024 AGM.

Approval of Financial Statements

The Financial Statements were approved by the Board on 19 June 2024.

Signed on behalf of the Board.

Jonathan Rockett
Chief Executive Officer

Steven Moloney
Chief Financial Officer

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' report and the Group and Parent Company Financial Statements in accordance with the applicable laws and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under the law, the Directors have elected to prepare the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under Company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at the financial year end date and of the profit or loss of the Group and Parent Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies for the Group and Parent Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for ensuring that the Group and Parent Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Parent Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' report comply with the Companies Act 2014 and the Listing Rules of the Euronext Growth, Dublin and enable the Financial Statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in Ireland governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website www.datalex.com.

Jonathan Rockett
Chief Executive Officer

Steven Moloney
Chief Financial Officer

19 June 2024

Financial Statements

Independent auditor's report to the members of Datalex Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION ON THE FINANCIAL STATEMENTS OF DATALEX PLC (THE 'PARENT COMPANY')

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2023 and of the loss of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the group financial statements:

- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Profit and Loss;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Cash Flows;
- the Consolidated Statement of Changes in Equity;
- and the related notes 1 to 34, including a summary of material accounting policy information as set out in note 2.

The parent company financial statements:

- the Company Statement of Financial Position;
- the Company Statement of Cash Flows;
- the Company Statement of Changes in Equity; and
- the related notes 1 to 34, including a summary of material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in the preparation of the group and parent company financial statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board as adopted by the European Union ("the relevant financial reporting framework").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the *"Auditor's responsibilities for the audit of the financial statements"* section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw your attention to Note 2.5 in the Financial Statements concerning the group's and parent company's ability to continue as a going concern. The group incurred a loss for the year of US$9.02m for the financial year ended 31 December 2023 and, at that date, had net current liabilities of US$16.8m and net liabilities of US$17.6m respectively. As stated in Note 2.5, the ability of the group and parent company to continue as a going concern is dependent on the parent Company obtaining additional equity to repay the Tieragh Limited loan facility as it falls due and to fund the working capital needs of the group and parent company or on the continuing support from Tireragh Limited to extend the repayment date of the existing debt facilities out to 1 July 2025 and provide an additional facility of €10m. These events and conditions, along with the other matters as set forth in Note 2.5, indicate that a number of material uncertainties exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the Directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the group's relevant controls over the preparation of cash flow projections and approval of the projections and assumptions used in the cash flow forecasts to support the going concern assumption, and assessing the design and determining the implementation of these controls;
- performing an assessment of the historical accuracy of forecasts prepared by management;
- testing the clerical accuracy of the cash flow forecast model;
- engaging our internal corporate finance specialists to assist in challenging the key assumptions used in the cash flow forecasts and performing sensitivity analysis on the cash flow forecasts, including applying alternative reasonable downside scenarios, to assess the impact of a change in underlying assumptions on the group and parent company's ability to continue as a going concern;
- assessing the financing facilities available including nature of facilities, repayment terms and covenants; and
- assessing the adequacy of the disclosures in the Financial Statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Datalex Plc

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: › Going concern (see 'Material uncertainties related to going concern' section); › Revenue recognition; › Management override of controls; › Capitalisation of product development costs; and › Carrying value of product development costs and work in progress. No new KAMs have been identified in the current year.
Materiality	The materiality for the group that we used in the current year was US$191k which was determined on the basis of revenue from contracts with customers, representing 0.66% of this benchmark . The materiality for the parent company that we used in the current year was US$130k which was determined on the basis of issued share capital representing c. 1% of this benchmark .
Scoping	We determined the scope of our group audit by obtaining an understanding of the group and its environment, including group-wide internal financial controls, and assessing the risks of material misstatement at the group level. Based on that assessment, we focused our group audit scope primarily on the audit work in six components. Five of these were subject to a full audit, whilst the remaining one was subject to an audit of specified account balances, where the extent of our testing was based on our assessment of the associated risks of material misstatement and of the materiality of the component's operations to the group. Analytical review procedures were performed by the group engagement team on all other components within the group.
Significant changes in our approach	No significant changes in our audit approach in the current financial year.

Independent auditor's report to the members of Datalex Plc

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

In addition to the matter described in the *Material uncertainty relating to going concern* section we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Key audit matter description	As described in Note 2.7, the group derives a significant portion of its revenue from contracts containing multiple performance obligations, including fixed fee elements such as Platform revenue and services revenue. There is a risk that not all performance obligations are captured or included within the revenue related systems. Furthermore, professional service revenue contracts and platform implementations which remain open at the financial year end involve key project milestones, and ongoing uncertainties around expected costs to complete and the group's future obligations. This requires the exercise of significant judgement in the assessment of the extent of progress towards completion, which is estimated by reference to labour hours incurred to date as a percentage of the total estimated labour hours to service the project. Therefore, the revenue, costs and gross profit realisation can vary during the execution and reassessment of these projects against the contracted project milestones. Due to the judgements made by management in respect of the extent of progress towards completion, this required extensive audit effort, therefore, we have considered this as a key audit matter. Please refer to the accounting policy set out in Note 2.7, critical accounting judgements in Note 3 (A), Note 18 to the financial statements and the Audit and Risk Committee's discussion of this key audit matter on page 57.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the revenue recognition process and assessed the design and determined the implementation of the relevant controls therein, including how management determine the percentage of completion on customer contracts. As a result of deficiencies identified, primarily relating to management review controls, we determined that a wholly substantive approach was appropriate. We independently obtained confirmations from all customers of the contracts in place during the year ended 31 December 2023. These customer confirmations validated the work order status as at the financial year end date and the completeness of the contracts. We agreed the fixed fee amounts for each contract to the signed agreements and challenged the percentage of completion calculation by independently obtaining confirmations from customers, confirming date of completion and inquiring and challenging management (Team Lead, Project Manager (PMO,) and Customer Manager) on the rationale behind determining the percentage of completion. On a sample basis, we recalculated the revenue to be recognised in respect of the financial year ended 31 December 2023 and the related accrued/deferred revenue balances. We assessed the adequacy of the disclosures in relation to revenue recognition and whether they met the requirements of the financial reporting framework.
Key observations	We have no observations that impact on our audit in respect of the amounts and disclosures related to revenue recognition.

Independent auditor’s report to the members of Datalex Plc

Management override of controls

Key audit matter description	We conducted an assessment of the fraud risks arising from management override of controls by considering potential areas where the group and parent company’s financial statements could be manipulated, including: › Inappropriate accounting estimates and judgements; › The posting of fictitious or fraudulent journal entries; or › Accounting for significant unusual transactions arising from changes to the business. We have considered the continuing impact of macro environment factors including geo-political risks (such as conflicts in Ukraine, Israel & Gaza, increases in oil prices, high inflation rates, rising interest rates and the management of operational problems due to supply chain bottlenecks and staff shortages in the airline industry) on the group and parent company’s business as part of our audit risk assessment and planning. There are a number of areas requiring the application of judgement and estimation techniques by management, such as revenue recognition, capitalisation & impairment of product development costs and work in progress, and going concern, which creates additional risk of bias in accounting estimates. We have focused on the group’s and parent company’s key judgements and estimates in relation to future strategic plans and profitability forecasts, which are key inputs into the group’s and parent company’s going concern and capitalisation & impairment of product development costs and work in progress assessments. As noted within certain Key Audit Matters, during our 2023 audit, we identified a number of control design deficiencies relating to areas of judgement and estimation. Management override of controls can manifest itself through the posting of invalid journals, recorded to influence the financial statements, which circumvent the controls in place to stop the recording of inappropriate journals. This had a significant bearing on the allocation of resources in the audit, and the direction of effort of the audit team. Accordingly, we identified this as a key audit matter.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the financial reporting process and assessed the design and determined the implementation of the relevant controls therein. We incorporated specific, direct and focused fraud criteria in our selection of journal entries processed during the year-end for testing in the significant component ledgers, utilising data analytics tools. We performed a retrospective review of management’s key judgements and assumptions relating to significant estimates reflected in the prior year’s financial statements. We evaluated certain accounting estimates and judgements for bias including revenue recognition and going concern, incorporating the following procedures: › We engaged our internal financial advisory specialists to assist in challenging the key judgements used in the cashflow forecasts as part of the going concern assessment. › We engaged our internal valuation specialists to assist in challenging the key assumptions used as part of our assessment of the Capitalisation of Product Development Costs and the Carrying value of Product Development Costs and work in progress, in particular to assess the discount rate. › In respect of revenue recognition, we independently obtained confirmations from all customers of the contracts in place during the year ended 31 December 2023. These customer confirmations validated the work order status as at the financial year end date and the completeness of the contracts in issue. We obtained an understanding of the business rationale of significant transactions, with a specific focus on the accounting for new contracts entered in the period.
Key observations	We have no observations in relation to management override of controls.

Independent auditor's report to the members of Datalex Plc

Capitalisation of product development costs

Key audit matter description	As described in Note 5, the group capitalised product development costs of US$1.3m (2022: US$2.4m) during the year ended 31 December 2023. Product development expenditure in relation to internally generated intangible assets is capitalised when all of the criteria as set out in IAS 38 "Intangible Assets" are met. There is a risk that additions are made to capitalised product development costs before all the required capitalisation criteria are met. Expenditure is capitalised from the date when the intangible asset first meets the recognition criteria and, in determining the amount to be capitalised, the directors make judgements regarding expected future cash generation of the asset. Due to the high degree of judgement and substantial audit effort, including the need to involve our internal specialists, we have identified this as a key audit matter. Please refer to the accounting policy set out in Note 2.9, critical accounting judgements in Note 3 (B), Note 5 to the financial statements and the Audit and Risk Committee's discussion of this key audit matter on page 58.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the process and related relevant controls for ensuring appropriate capitalisation of product development costs and assessed the design and determined the implementation of the relevant controls therein. As a result of a deficiency identified relating to management review controls, we determined that a wholly substantive approach was appropriate. We reviewed the capitalised project register and completed the following procedures to determine whether a sample of the expenditure was recorded accurately and whether it met the required capitalisation criteria in accordance with IAS 38: -We agreed the amount for a sample of product development costs capitalised to underlying documentation including timesheet data, payroll reports and supporting invoices for contractors. -We engaged our internal valuation specialists to assist in challenging the key assumptions used in the cash flow forecasts for a sample of capitalised product development costs, in particular to assess the discount rate used; and performed sensitivity analysis on the underlying cash flow forecasts. We assessed the adequacy of the disclosures in relation to capitalised product development costs and whether they met the requirements of the financial reporting framework.
Key observations	We have no observations that impact on our audit in respect of the amounts and disclosures related to the capitalisation of product development costs.

Independent auditor’s report to the members of Datalex Plc

Carrying value of product development costs and work in progress

Key audit matter description	As described in Note 5, at 31 December 2023, product development costs and work in progress included in intangible assets had a carrying value of US$4m (2022: US$4.5m). Group management have developed a model to calculate the value in use of the capitalised product developments costs and work in progress and to review the carrying value of capitalised product development costs and work in progress. There is a risk that certain incorrect inputs or inappropriate assumptions, in particular projected cash flows, growth rates and discount rates, could be included in the impairment assessment model calculated by management leading to an impairment charge that has not been included in the group’s financial statements. Small variances in key assumptions have the potential to reduce the value in use calculation and accordingly the headroom significantly. Due to the high degree of judgement and substantial audit effort, including the need to involve our internal specialists, we have identified this as a key audit matter. Please refer to the accounting policy set out in Note 2.9, critical accounting judgements in Note 3 (B), Note 5 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the process and related relevant controls for ensuring appropriate capitalisation of product development costs and work in progress and assessed the design and determined the implementation of the related relevant controls therein. As a result of a deficiency identified relating to management review controls, we determined that a wholly substantive approach was appropriate. We challenged the underlying revenue and cost assumptions used in the value in use calculation and obtained audit evidence to assess those assumptions within the group’s impairment model, including cash flow forecasts and growth rates, which we compared to relevant industry data. We engaged our internal valuation specialists to assist in challenging the key assumptions used in the cash flow forecasts in assessing the carry value of product development costs, in particular to assess the discount rate used, and we performed sensitivity analysis on the underlying cash flow forecasts. We assessed the adequacy of the disclosures in relation to capitalised product development costs and work in progress and whether they met the requirements of the financial reporting framework.
Key observations	We have no observations that impact on our audit in respect of the amounts and disclosures related to the carrying value of product developments costs and work in progress.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

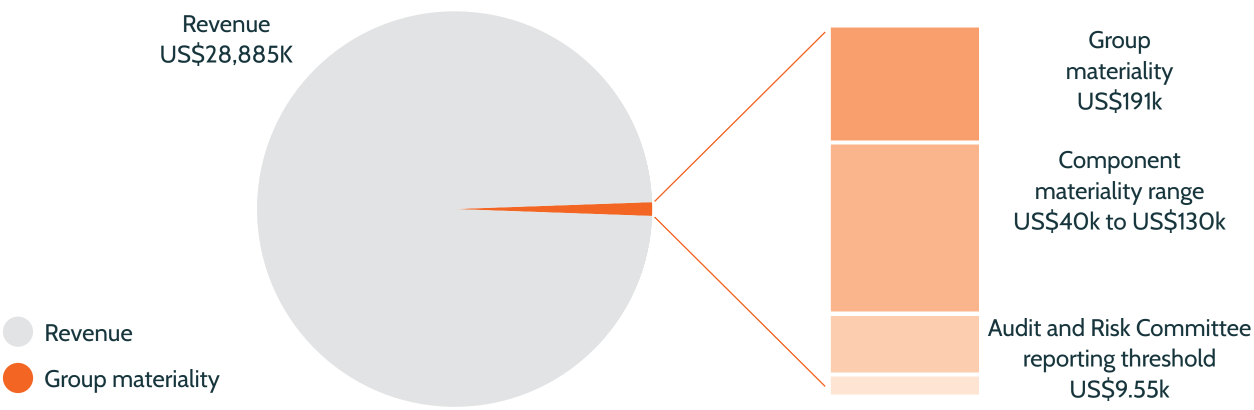
Independent auditor's report to the members of Datalex Plc

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
Materiality	US$191k (2022: US$181k)	US$130k (2022: US$132k)
Basis for determining materiality	0.66% of revenue	1% of share capital
Rationale for the benchmark applied	We have considered revenue to be the critical component for determining materiality because it is the most important measure for shareholders of the group.	As a non-trading company, the parent company does not generate significant revenues, thus issued share capital is most relevant to the shareholders of the parent company.



We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group Financial Statements	Parent Company Financial Statements
Performance materiality	70% (2022: 70%) of group materiality	80% (2022: 90%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors related to the group and parent company: a. Understanding of the entity and its environment and the impact of various geo-political factors b. Financial performance of the group and parent company since last year c. Our cumulative knowledge of the group and parent company's control environment and the quality of the control environment and our ability to rely on controls; and d. the nature, volume and size of misstatements (corrected and uncorrected) in the previous audit.	

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of US$9,550 (2022: US$9,050), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Independent auditor's report to the members of Datalex Plc

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The structure of the group's finance function is such that the central group finance team in Dublin provides support to group entities for the accounting of the majority of transactions and balances.

We determined the scope of our group audit on a company level basis, assessing components against the risk of material misstatement at the group level. Based on this assessment, we focussed our work on six components covering 100% of revenue and 99% of net assets. Five of these were subject to a full scope audit at a component materiality, whilst the remaining one were subject to an audit of specified account balances where the extent of our testing was based on our assessment of the associated risks of material misstatement and of the materiality of the component's operations to the group. The legal entities, which were subject to a full scope audit, were Datalex plc, Datalex (Ireland) Limited, Datalex Solutions (UK) Limited, Datalex Netherlands BV, and Datalex USA Inc. We also carried out an audit of specified balances on Datalex China Limited.

At the group level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full scope audit or specified account balances.

OTHER INFORMATION

The other information comprises the information included in the Annual Report,other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditor's report to the members of Datalex Plc

IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management internal audit, legal counsel, Company Secretary and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT, and financial advisory specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: 'Revenue Recognition', Capitalisation of Product Development Costs and Carrying value of Product Development Costs and work in progress. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group and the parent company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Irish Companies Act, Quoted Companies Alliance (QCA) Corporate Governance Code and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act (2018).

AUDIT RESPONSE TO RISKS IDENTIFIED

As a result of performing the above, we identified Revenue Recognition, and Capitalisation of Product Development Costs and Carrying value of Product Development Costs and work in progress as key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities; and
- in addition to the procedures set out in the key audit matter, in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent auditor’s report to the members of Datalex Plc

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company statement of financial position are in agreement with the accounting records.
- In our opinion the information given in the directors’ report is consistent with the financial statements and the directors’ report has been prepared in accordance with the Companies Act 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors’ report

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors’ remuneration and transactions specified by law are not made.

USE OF OUR REPORT

This report is made solely to the parent company’s members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the parent company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Murray
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

19 June 2024

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Consolidated Statement of Financial Position
as at 31 December 2023

	Notes	2023	2022
		US$'000	US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	90	192
Intangible assets	5	4,329	4,891
Right-of-use assets	6	985	598
Contract acquisition costs	8	275	121
Trade and other receivables	10	-	118
Total non-current assets		**5,679**	**5,920**
Current assets			
Contract acquisition costs	8	45	12
Trade and other receivables	10	6,034	1,979
Deferred contract fulfilment costs	7	-	131
Contract assets	10	2,364	1,132
Cash and cash equivalents	11	5,774	6,536
Total current assets		**14,217**	**9,790**
Total assets		**19,896**	**15,710**

For and on behalf of the Board

Jonathan Rockett **Steven Moloney**
19 June 2024

Consolidated Statement of Financial Position
as at 31 December 2023 (continued)

	Notes	2023	2022
		US$'000	US$'000
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Issued ordinary share capital	12	13,268	13,267
Other issued equity share capital	12	262	262
Other reserves	13	39,578	38,838
Retained loss		(70,673)	(61,653)
Total equity		**(17,565)**	**(9,286)**
LIABILITIES			
Non-current liabilities			
Borrowings	14	737	481
Provisions	15	96	162
Trade and other payables	16	5,633	6,047
Total non-current liabilities		**6,466**	**6,690**
Current liabilities			
Borrowings	14	16,620	5,940
Provisions	15	90	117
Trade and other payables	16	6,410	6,387
Contract liabilities	17	7,831	5,676
Current income tax liabilities		44	186
Total current liabilities		**30,995**	**18,306**
Total equity and liabilities		**19,896**	**15,710**

For and on behalf of the Board

Jonathan Rockett **Steven Moloney**
19 June 2024

Consolidated Statement of Profit and Loss
for the year ended 31 December 2023

	Notes	2023	2022
		US$'000	US$'000
Revenue from contracts with customers	18	28,885	23,537
Cost of sales	19	(19,164)	(17,136)
Gross profit		**9,721**	**6,401**
Selling and marketing costs	19	(307)	(513)
Administrative expenses	19	(16,015)	(17,472)
Net impairment (losses)/gains on financial and contract assets	10	(105)	164
Impairment of assets	5,7	(46)	(454)
Other income	21	237	725
Other (losses)/gains	19, 22	(430)	112
Operating loss		**(6,945)**	**(11,037)**
Finance costs	24	(2,043)	(367)
Loss before income tax		**(8,988)**	**(11,404)**
Income tax charge	9	(32)	(60)
Loss for the financial year		**(9,020)**	**(11,464)**
Loss per share (in US$ cents per share):	25		
Basic		(6.80)	(8.65)
Diluted		(6.80)	(8.65)

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2023

	Note	2023	2022
		US$'000	US$'000
Loss for the financial year		**(9,020)**	**(11,464)**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Currency translation differences			
- Arising in the year	13	66	(209)
Total movement in items that may subsequently be reclassified to profit or loss		**66**	**(209)**
Comprehensive income for the year		**(8,954)**	**(11,673)**

Consolidated Statement of Cash Flows
for the year ended 31 December 2023

	Notes	2023	2022
		US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash outflow from operations	26	(6,950)	(3,474)
Interest paid	24	(15)	(53)
Income tax paid		(174)	(48)
Net cash used in operating activities		**(7,139)**	**(3,575)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	(16)	(126)
Proceeds from the sale of property, plant and equipment	4	-	8
Additions to intangible assets	5	(1,434)	(2,406)
Net cash used in investing activities		**(1,450)**	**(2,524)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	12, 13	4	307
Proceeds from borrowings	14	8,576	4,987
Borrowing costs	14	(229)	-
Payment of capital on lease liabilities	6	(496)	(765)
Payment of interest on lease liabilities	6	(146)	(141)
Net cash generated from financing activities		**7,709**	**4,388**
Net decrease in cash and cash equivalents		(880)	(1,711)
Foreign exchange gain/(loss) on cash and cash equivalents		118	(4)
Cash and cash equivalents at beginning of year		6,536	8,251
Cash and cash equivalents at end of year	**11**	**5,774**	**6,536**

Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

	Notes	Issued ordinary share capital	Other issued equity share capital	Other reserves	Retained loss	Total equity
		US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022		**13,215**	**262**	**37,604**	**(50,189)**	**892**
Loss for the year		-	-	-	(11,464)	(11,464)
Other comprehensive income		-	-	(209)	-	(209)
Total comprehensive income for the year		**-**	**-**	**(209)**	**(11,464)**	**(11,673)**
Share based payments	13	-	-	1,188	-	1,188
Issue of ordinary shares	12	52	-	-	-	52
Premium on shares issued	12	-	-	255	-	255
Balance at 31 December 2022		**13,267**	**262**	**38,838**	**(61,653)**	**(9,286)**
Balance at 1 January 2023		**13,267**	**262**	**38,838**	**(61,653)**	**(9,286)**
Loss for the year		-	-	-	(9,020)	(9,020)
Other comprehensive income		-	-	66	-	66
Total comprehensive income for the year		**-**	**-**	**66**	**(9,020)**	**(8,954)**
Share based payments	13	-	-	671	-	671
Issue of ordinary shares	12	1	-	-	-	1
Premium on shares issued	13	-	-	3	-	3
Balance at 31 December 2023		**13,268**	**262**	**39,578**	**(70,673)**	**(17,565)**

Company Statement of Financial Position
as at 31 December 2023

	Notes	2023	2022
		US$'000	US$'000
ASSETS			
Non-current assets			
Investment in subsidiaries	28	-	-
Total non-current assets		-	-
Current assets			
Trade and other receivables	10	193	116
Cash and cash equivalents	11	169	231
Total current assets		**362**	**347**
Total assets		**362**	**347**
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Issued ordinary share capital	12	13,268	13,267
Other issued equity share capital	12	262	262
Other reserves	13	78,627	77,953
Retained loss		(109,166)	(97,729)
Total equity		**(17,009)**	**(6,247)**
LIABILITIES			
Non-current liabilities			
Provisions	15	96	162
Total non-current liabilities		**96**	**162**
Current liabilities			
Borrowings	14	16,196	5,470
Provisions	15	90	93
Trade and other payables	16	989	869
Total current liabilities		**17,275**	**6,432**
Total equity and liabilities		**362**	**347**

As permitted by Section 304 of the Companies Act 2014, the Company is availing of the exemption from presenting its separate statement of profit and loss in the financial statements and from filing it with the Registrar of Companies. The Company's loss for the financial year is US$11.4m (2022: US$6.6m).

For and on behalf of the Board

Jonathan Rockett **Steven Moloney**
19 June 2024

Company Statement of Cash Flows
for the year ended 31 December 2023

	Notes	2023	2022
		US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operations	26	293	(339)
Loans to subsidiary undertakings	10	(8,724)	(4,834)
Net cash used in operating activities		**(8,431)**	**(5,173)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (including share premium)	12	4	307
Proceeds from borrowings	14	8,576	4,987
Borrowing costs	14	(229)	-
Net cash generated from financing activities		**8,351**	**5,294**
Net (decrease)/increase in cash and cash equivalents		(80)	121
Foreign exchange gain/(loss) on cash and cash equivalents		18	(15)
Cash and cash equivalents at beginning of year		231	125
Cash and cash equivalents at end of year	**11**	**169**	**231**

Company Statement of Changes in Equity
for the year ended 31 December 2023

	Notes	Issued ordinary share capital	Other issued equity share capital	Other reserves	Retained loss	Total equity
		US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022		**13,215**	**262**	**76,510**	**(91,134)**	**(1,147)**
Loss for the year		-	-	-	(6,595)	(6,595)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	**(6,595)**	**(6,595)**
Share based payments	13	-	-	1,188	-	1,188
Issue of ordinary shares on capital raise	12	52	-	-	-	52
Premium on shares issued	13	-	-	255	-	255
Balance at 31 December 2022		**13,267**	**262**	**77,953**	**(97,729)**	**(6,247)**
Balance at 1 January 2023		**13,267**	**262**	**77,953**	**(97,729)**	**(6,247)**
Loss for the year		-	-	-	(11,437)	(11,437)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	**(11,437)**	**(11,437)**
Share based payments	13	-	-	671	-	671
Issue of ordinary shares on capital raise	12	1	-	-	-	1
Premium on shares issued	12	-	-	3	-	3
Balance at 31 December 2023		**13,268**	**262**	**78,627**	**(109,166)**	**(17,009)**

Notes to the Financial Statements
for the year ended 31 December 2023

1 GENERAL INFORMATION

The principal activity of the Group (which consists of Datalex plc and its subsidiary companies as listed in Note 28) is the development and sale of digital retail products and solutions to the airline industry.

Datalex plc ("the Company") is a public limited Company incorporated and domiciled in Ireland and is listed on Euronext Growth. The Company registration number is 329175, and the registered office is Marina House, Block V, EastPoint, Dublin, D03 AX24, Ireland. The Company's ordinary shares were admitted to Euronext Growth on 8 July 2021, having previously been listed on Euronext Dublin. These Group and Parent Company Financial Statements were authorised for issue by the Board of Directors on 19 June 2024.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 STATEMENT OF COMPLIANCE

The Consolidated and Parent Company Financial Statements of Datalex plc have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS") and their interpretations approved by the International Accounting Standards Board ('IASB') as adopted by the European Union ("EU") and those parts of the Companies Act, 2014 applicable to companies reporting under IFRS. IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. References to IFRS hereafter should be read as references to IFRS as adopted by the EU. The IFRS applied in these Financial Statements were those effective for accounting periods ending on or after 1 January 2023. In presenting the Parent Company Financial Statements together with the Consolidated Financial Statements, the Parent Company has availed of the exemption in Section 304(2) of the Companies Act, 2014 not to present or file its individual Statement of Profit and Loss and related notes that form part of the approved Parent Company Financial Statements.

2.2 BASIS OF PREPARATION

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

The Consolidated and Parent Company Financial Statements are presented in US dollars ("US$"), which is both the functional and the presentational currency of the Group. All amounts have been rounded to the nearest thousand, unless otherwise indicated. The Financial Statements have been prepared on the going concern basis of accounting and under the historical cost convention, as modified by the measurement at the fair value of share options and derivative Financial Instruments.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's and Group's accounting policies. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the entity and Group Financial Statements are disclosed in Note 3.

2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023, and have been applied in preparing these Financial Statements.

The Group and Parent Company applied the following amendments for the first time for the annual reporting period commencing 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies (Effective 1 January 2023).

As the result of those amendments, the following accounting policy was removed as considered to be immaterial for the Group and the Parent Company both qualitatively and quantitatively: Government grants.

The following Amendments and Standards are effective for the Group and Parent Company in 2023 but do not have a material effect on the current or future results or financial position of the Group or Parent Company:

- Amendments to IAS 8 - Definition of accounting estimates (Effective 1 January 2023);
- Amendments to IAS 12 - Deferred tax related to Assets, Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model (Effective 1 January 2023);
- IFRS 17 Insurance Contracts (Effective 1 January 2023).
- Amendments to IFRS 4 - Extension of the Temporary Exemption from Applying IFRS 9 (Effective 1 January 2023).

New Standards, Amendments and Interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024, and have not been applied in preparing these Financial Statements. The following Amendments and Standards are not yet effective for the Group and Parent Company and will not have a material effect on the results or financial position of the Group or Parent Company for the next fiscal period:

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (continued)

Amendments to IAS 1 - Non-current Liabilities with Covenants, Classification of liabilities as current or non-current and Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Effective 1 January 2024);

- Amendments to IFRS 16 - Lease Liability In a Sale and Leaseback (Effective 1 January 2024);
- Amendments to IAS 21 - Lack of Exchangeability (Effective 1 January 2024);
- Amendments to IAS 7 and IFRS 7- Supplier Finance Arrangement (Effective 1 January 2024).

Accounting Policies

The accounting policies applied in these Consolidated and Parent Company Financial Statements are consistent with those applied in the Consolidated and Parent Company Financial Statements as at, and for the year ended 31 December 2023.

2.4 BASIS OF CONSOLIDATION

The Group Financial Statements consolidate the financial statements of the Company and all of its subsidiary undertakings made up to the relevant year-end. The subsidiary undertakings' financial years are all coterminous with those of the Company.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

2.5 GOING CONCERN

The Group and Parent Company Financial Statements have been prepared on the going concern basis, which assumes that the Group and Parent Company will be able to continue in operational existence for the foreseeable future. The period that the Board has considered in evaluating the appropriateness of the going concern basis in preparing the Group and Parent Company Financial Statements for 2023 is a period of twelve months from the date of approval of these Financial Statements.

The Group incurred a loss of US$9.0m in the year (2022: US$11.5m). At 31 December 2023, the Group had net liabilities of US$17.6m (2022: net liabilities of US$9.3m) and net current liabilities of US$16.8m (2022: net current liabilities of US$8.5m). The total decrease in cash was US$0.8m (2022: decrease of US$1.7m) with a closing cash balance of US$5.8m at 31 December 2023 (2022: US$6.5m). As at 30 April 2024, the closing cash balance per unaudited management accounts was US$4.5m.

The Board is required to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement, the Board has considered the Group's forecast cash flows, liquidity, borrowing facilities, principal risks, and the expected operational activities of the Group. In evaluating cash flow needs, the Board has considered the Group's commitments to customers and the working capital requirements for recent customer wins and potential new customers. The Board has assessed funding requirements, with consideration given to the sources of finance available to the Group which include access to the equity markets, the Tireragh Limited loan facility (total facility of €15m, of which €13m has been drawn down at the date of the approval of these Financial Statements) and the Group's cash-on-hand.

Furthermore, the assessment considers the Board's and management's views of the potential impact of the wider economic and geopolitical environments on the Group's businesses across the period. The Group operates in a competitive environment which continues to be impacted by macro-economic matters, risks and uncertainties which are outside the control of the Group. These include but are not limited to conflicts in Ukraine and the Middle East, increases in oil prices, high inflation rates, rising interest rates and operational problems due to supply chain bottlenecks and staff shortages in the airline industry. Each of these principal risks, along with their potential impact and mitigating factors are conveyed in the "Principal Risk and Uncertainties" section.

The Group prepared a range of financial forecasts to assess cash flow requirements. The "Base Case" scenario represents management's best estimation of how the business is expected to perform over the period. A sensitivity analysis has also been incorporated to understand a potential "Downside" scenario. This reflects a plausible but more severe combination of the principal risks of the business, resulting in weaker revenue, higher costs, and poorer fundraising outcomes. Notably, the Group is currently required to repay the Tireragh Limited loan facility on 31 December 2024 - which at the year-end date consisted of a principal of €13m and accrued interest of €1.9m. The Group's current cash flow forecasts indicate that without additional funding, there will not be sufficient resources to repay the Tireragh Limited loan facility as it falls due.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 GOING CONCERN (continued)

The Board of Datalex plc is actively working with its financial advisors and intends to complete an equity fundraising to raise sufficient capital, net of expenses, for the repayment of the Tireragh Limited loan facility, including related interest charges, and the funding of the Group's future working capital requirements. As the successful completion of equity fundraising is a material uncertainty, the Board has received the support of Mr. Dermot Desmond, the Group's largest ultimate beneficial shareholder, who has confirmed to the Group that he will procure support for the equity fundraising. IIU Nominees Limited has also stated its intention to apply for its pro rata entitlement of any fundraising.

Pending the above, subsequent to the year-end, the Company's lender Tireragh Limited, has informed the Group that in the event that Datalex does not complete its planned equity fundraising, and subject to terms and conditions to be agreed, it will extend the termination date of the existing Tireragh Limited loan facility from 31 December 2024 to 1 July 2025, and, if required, provide an additional loan facility in the amount of €10 million. As such, the Board believes that the Group will have sufficient liquidity for the year ahead, regardless of whether or not the equity fundraising completes successfully.

The Board recognize that there are material uncertainties, as stated above, which may cast significant doubt as to the Group and Parent Company's ability to continue as a going concern. Nevertheless, based on the assessment of the adequacy of the financial forecasts, Mr. Dermot Desmond's, IIU Nominees Limited and Tireragh Limited's support including the willingness to extend the repayment date of the Tireragh Limited loan facility and to provide an additional facility, if required, and the fundraising options available to the Group, the Board have formed the judgement that at the time of approving the Financial Statements, that there is a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of this report. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements and the Financial Statements do not include any adjustments that would be required if the Group was unable to continue as a going concern.

2.6 FOREIGN CURRENCY TRANSLATION

Items included in the Financial Statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). The Consolidated Financial Statements are presented in US Dollar, denoted as US$, which is the presentational currency of the Group and the functional currency of the Parent Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the Statement of Financial Position date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

I. assets and liabilities for each Statement of Financial Position presented, are translated at the closing exchange rate at the date of that Statement of Financial Position;
II. income and expenses for each Statement of Profit and Loss are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction; and
III. all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net qualifying investment in foreign operations are taken to shareholders' equity.

2.7 REVENUE RECOGNITION

(A) GENERAL

The Group applies IFRS 15, Revenue from Contracts with Customers ("IFRS 15").

Revenue is recognised by applying the following five step model to the contracts with customers.

I. Identify the contract with the customer;
II. Identify the performance obligations in the contract;
III. Determine the transaction price;
IV. Allocate the transaction price; and
V. Recognise revenue when (or as) a performance obligation is satisfied.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 REVENUE RECOGNITION (continued)

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

(B) CATEGORIES OF REVENUE

The Group considers whether there are various products and services within a contract with a customer that are deemed distinct performance obligations to which the transaction price needs to be allocated. In determining the transaction price for the contractual arrangements, the Group considers the effects of variable consideration, transaction-based license revenue, the existence of significant financing components, upfront payments, and consideration payable to the customer (if any). Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the performance obligations identified within a contract and each portion is recognised separately as each performance obligation is satisfied.

The Group's revenue is divided into three principal categories, with the following significant elements:

1. Platform revenue

(a) License

Customer use of the Datalex software can include (i) air fare bookings, (ii) non-air ancillary bookings such as car, hotel and insurance, (iii) air ancillary items such as seat fees or bag fees, and (iv) hosting fees when the customer's software solution is hosted by Datalex.

Licenses provide customers with a right to access the Datalex platform over time. Software revenue is recognised over time for the contract term determined in accordance with IFRS 15, commencing when the license is usable by the customer following completion of configuration and installation.

(b) Managed services/hosting

Managed services/hosting facilitates customer use of the Datalex product suite. It is offered to those customers that do not manage the solution themselves.

As the customer simultaneously receives and consumes the benefits provided as the entity performs, revenue from managed services performance obligations is recognised over time, on a ratable basis.

(c) Termination fees

Customer contract termination fees are recognised when either of the following conditions are met:

1) there are no further performance obligations to transfer goods or services to the customer and all, or substantially all, of the contractual consideration due from the customer has been received and is non-refundable, or;
2) the contract has been terminated and the contractual consideration received from the customer is non-refundable.

Amounts recognised as revenue on terminated contracts include the non-refundable advanced cash payments received less revenue recognised to date and deferred fulfilment costs not yet expensed to the Statement of Profit and Loss. Additionally, certain contracts allow for Datalex to invoice pre-agreed termination fees in the event of early termination of contractual relationships by the customer. Revenue associated with pre-agreed termination fees is only recognised upon formal contract termination and when IFRS 15 is no longer applicable.

2. Professional services revenue

Professional services include implementation services, post go-live services, training and other services. Services such as configuration and installation of software are typically considered a distinct performance obligation.

Revenues from services are recognised over time as the relevant service days are utilised/drawn down by the customer or upon expiry of their usage period for any unused days.

Certain customer contracts may contain provisions preventing the carry forward of unused man days into a subsequent year. Where such provisions exist and are applied, unused man days at a period-end date will be recognised upon expiration. Where carry forward provisions exist, the recognition of revenue will follow the contractual arrangement or as agreed with the customer based on customary practice.

The progress of the service arrangements is measured using an output method, being labour days,¬¬ akin to percentage completion. Such a method of measuring progress faithfully depicts the transfer of services to the customer.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 REVENUE RECOGNITION (continued)

3. Consultancy revenue
Consultancy revenues are derived from the Group's TPF (Transaction Processing Facility) specialist consultancy services concentrated on transaction processing facilities. As the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs, revenue from consultancy services performance obligations is recognised over time, on a ratable basis.

(C) SIGNIFICANT REVENUE JUDGEMENTS AND ESTIMATES
All of the judgements and estimates mentioned below can significantly impact the timing and amount of revenue to be recognised.

Identification of contract
The existing customers are frequently entered into new arrangements. Such arrangements can be either a new contract or the modification of prior contracts with the customer. In making this determination, the following is being considered: whether there is a connection between the new arrangement and the pre- existing contracts, whether the products and services under the new arrangement are highly interrelated with the products and services sold under prior contracts, and how the products and services under the new arrangement are priced. In particular, the guidance in IFRS 15 is considered which requires the exercise of judgement and consideration as to whether: the arrangement changes transaction price only, new distinct products or services are added as a result of the arrangement and whether the contract price increases by an amount that represents the standalone selling price for the additional distinct products or services provided.

Where multiple contracts with the same customer are entered, they are treated for accounting purposes as one contract if the contracts are entered into at or near the same time and are economically interrelated. Judgement is required in evaluating whether various contracts are interrelated, which includes consideration as to whether:

I. The contracts are negotiated as a package with a single commercial objective;
II. The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
III. The products or services promised in the contracts (or some products or services promised in each of the contracts) are a single performance obligation.

The existence of one or more of the above factors would support the determination that multiple contracts entered into at or near the same time with the same customer are economically interrelated and require treatment for accounting purposes as one contract.

Contract term
For IFRS 15 purposes, the contract term is the period during which the parties to the contract have present and enforceable rights and obligations. The contractual term varies across customers, with many contracts providing for early termination fees and certain contracts containing auto renewal provisions. Renewal options will not generally be considered in determining the contract term, as the renewal is generally not within the control of Datalex and so only the initial contract term will be considered. However renewal options are assessed to determine if any provide a material right as defined in IFRS15, which is discussed below.. The impact of termination penalties is considered in determining the term of the contract for IFRS 15 purposes and assessing whether that term is equal to the contractual term. Termination provisions and penalties in the case of non-performance ("for cause") or insolvency are disregarded in assessing contractual term. Termination penalties for early termination other than for cause are considered in determining the contract term for revenue recognition purposes.

Where a contract can be terminated early for other than "for cause", it is determined whether there is a termination penalty and whether that termination penalty is substantive.

If a contract can be terminated early for no compensation, then, for IFRS 15 purposes, the contracting parties are unlikely to have enforceable rights and obligations, regardless of the stated contractual term. Where a contract is terminable early for payment of a penalty and that penalty is substantive, it is likely that the stated/ contractual term is the term for IFRS 15 purposes. Judgement is required in determining whether a termination penalty or provision is substantive, and this requires consideration of the level of any penalty in absolute terms and relative to the contractual value.

Identification of performance obligations
The customer contracts often include various products and services. Typically, the products and services outlined in the Categories of Revenue section above qualify as separate performance obligations or a series of distinct performance obligations and the relevant transaction price is recognised separately as each performance obligation is satisfied. Judgement is required, however, in determining whether a good or service is considered a separate performance obligation. In order for a good or service to be considered distinct, both of the following criteria must be met:

I. the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
II. the entity's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the goods or service is distinct within the context of the contract).

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 REVENUE RECOGNITION (continued)

Material rights

Where contracts provide customers with an option to acquire additional products or services, typically through a renewal option a judgement is exercised in considering whether such an option provides a material right (as defined by IFRS 15) to the customer that they would not receive without entering into that contract. In evaluating whether such an option is a material right it is considered whether the option provides the customer with a discount that is incremental to the range typically given to that or similar customers for those products or services.

Where a material right exists, and the products or services are similar to the original products or services in the contract and are provided in accordance with the terms of the original contract rather than separately valuing the option, a practical expedient in IFRS 15 is availed. This practical expedient enables the Group include within the initial estimate of transaction price the estimate of the expected consideration by reference to the goods or services expected to be provided and the corresponding expected consideration. The expected consideration for any renewal period would then be added to the performance obligation to which it relates (typically the license) and recognised over the expected term of the contract (initial plus expected renewal period).

Determination of transaction price

(a) Variable consideration

Judgement is applied in determining the amount which the Group is expected to be entitled to in exchange for transferring promised products or services to a customer. This includes estimates as to whether and to what extent subsequent concessions or payments may be granted to customers and whether the customer is expected to pay the contractual fees. In this judgement, management considers the history both with the respective and comparable customers. Typically for the Group's contracts, variable consideration takes the form of:

I. Scorecards (bonus or penalties linked to agreed delivery metrics);
II. Hosting downtime credits;
III. Hosting increments;
IV. Contract penalties/ bonuses; and/ or
V. Transaction or usage-based revenue.

In considering the likelihood of incremental or variable consideration arising, management has considered the range of potential outcomes and associated probabilities, including whether incremental billings will or could arise and whether it is highly probable that any such estimate of variable consideration could be subject to significant reversal when the uncertainties giving rise to the estimate crystallise.

Such features, where present, typically arise in long-standing customer relationships where there is significant accumulated past experience in respect of the expected level of downtime or service. Based on this historical experience and current trading patterns with that customer, The Group is capable of reliably estimating the expected amount of variable consideration and consequently the expected amount(s) to include in the transaction price.

The amount of variable consideration included in the estimated transaction price is subject to a constraint such that the amount included is limited to amounts for which a significant reversal of cumulative revenue recognised when the uncertainty associated with the variable consideration crystallises is not highly probable. In estimating the amount of variable consideration to be included in the transaction price we take account of whether:

I. There are factors outside of the Group's control that may impact the amount of variable consideration, such as robotic traffic or data mining tools, which may impact the volume of online traffic;
II. There is a history of providing the customer or similar customers with price concessions; and
III. Technological developments impacting the platform which may mean that as the platform evolves there is limited available history which may be used to predict or estimate customer behaviours.

(b) Transaction-based license revenue

In certain of the license transactions, customers pay variable fees based on products and services transacted through the platform. An exemption from the requirement to estimate variable consideration and include it within the transaction price exists for the recognition of sales or usage-based royalties promised in exchange for a license of intellectual property.

This exemption only applies in the case of sales or usage-based revenues arising from a license of intellectual property. Revenues arising from such sales or usage-based royalties are recognised as the sale or usage occurs and are not included within the initial estimate of the transaction price. In a number of contracts where variable transaction fees apply, there are also guaranteed annual minimum license fees. Where such guaranteed fees exist, then, for the purpose of estimating the transaction price, the contracted minimums only are factored into the transaction price. Revenues for the variable license element are recognised in accordance with the sales-based/ royalty-based exemption as the sale or usage occurs.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 REVENUE RECOGNITION (continued)

(c) Upfront payments
In certain instances, contracts with customers may contain upfront payments. Upfront fees are evaluated to determine whether the activities related to such fees satisfy a performance obligation. Where those activities do not satisfy a performance obligation, the upfront fees are included in the total transaction price that is allocated to the identified distinct performance obligations in the contract.

Allocation of transaction price
The bases for the standalone selling prices (“SSP”s) that are used to allocate the transaction price of a customer contract to the performance obligations in the contract are outlined below.

The estimates used for standalone selling prices are reviewed periodically or whenever facts and circumstances change to ensure the most objective input parameters available are used.

(a) License
The variability of our customers in terms of scale of operation, breadth of their ancillary revenue offering and further complexities such as whether the airline is a member of a global alliance or has code-share arrangements, means that the selling prices for our licenses are highly variable.

(i) Single license

For contracts with customers where a performance obligation exists to provide a right to access a single Datalex product platform over time the residual method is used to establish the SSP for the license sold, estimated by means of the total transaction price less the sum of the observable standalone selling prices of other products or services promised.

(ii) Multiple licenses

For contracts with customers where performance obligations exist to provide right to access multiple Datalex product platforms over time SSP is assessed using a historical analysis of contracts with customers executed in recent calendar years as well as commercial proposals issued to potential customers to determine the range of selling prices applicable for the distinct product licenses. In making these judgments, various factors are analysed, including discounting practices, price lists, contract prices, customer size and segmentation, and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product license.

In instances where there is an inherent discount in a contractual arrangement, prior to allocating the discount to the performance obligations in the contract, it is considered whether it relates only to one or more, but not all performance obligations. If so, the discount shall be allocated prior to estimating the residual value of the license.

(b) Managed services/hosting
Managed services offering is intended as an enabler of the Datalex product suite. It is offered to those customers that are unable or unwilling to manage the solution themselves. The cost of the service includes any hardware, software, maintenance and uptime management (continuous monitoring). The selling price of our managed services offering is based on the budgeted cost of the estimated activities necessary to provide the offering plus a pre-determined margin. The SSP for our managed services offering is estimated using a “cost plus” basis.

(c) Professional services
Professional services, comprising post-go-live services and ad-hoc consulting, are priced based on standard, daily labour rates. The nature of the professional services in these three work streams is the same. The rates at which such services are charged are based on daily rates, with those rates varying according to a number of factors including seniority of personnel involved, complexity of work and geography. As a result, the use of a price range/ matrix reflecting SSP ranges according to differences in customer geography, skill set of personnel and cost base is an appropriate basis for establishing the SSP for services.

The selling price for professional services associated with customer implementations is based on the budgeted cost of the estimated time and resources necessary to complete the platform implementation. The SSP for implementation services offering is estimated using a "cost plus" basis approach based on actual charge out rates on similar professional services work. Where contractual prices fall outside of the applicable range for those services this will give rise to a discount/ premium against SSP which will be allocated across the identified performance obligations in that contract.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 REVENUE RECOGNITION (continued)

Recognition of revenue

Judgement is required to determine whether revenue is to be recognised at a point in time or over time. For performance obligations satisfied over time, the Group measures progress using the method that best reflects the performance in satisfying the specific performance obligation and transferring control of the promised products or services to the customer. The license is treated as a right to access, and license revenues are recognised ratably over time from the point at which the license is usable by the customer. For professional services management measure percentage of completion based on labour hours incurred to date is a proportion of total hours allocated to the contract. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. For performance obligations recognised at a point in time, revenues are recognised at the point at which the customer controls the deliverable, and the performance obligation has been satisfied.

Disaggregated revenue disclosures

Revenue information is analysed by operating segment, revenue category, geography and by major customer in Note 18.

2.8 SEGMENT REPORTING

The Group has identified two reportable segments, E-Business and TPF Consulting under IFRS 8, Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team.

2.9 INTANGIBLE ASSETS

Intangible assets acquired separately are capitalised at cost. Following initial recognition, intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation and any accumulated impairment losses.

Where amortisation is charged on assets with finite lives this expense is taken to the Consolidated Statement of Profit & Loss.

The amortisation of intangible assets is calculated to write off the book value over their useful lives on a straight-line basis, on the assumption of zero residual value, as follows:

Computer software	3 - 5 years
Product development	3 - 5 years

The Group does not have any intangible assets with indefinite useful lives.

(A) RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense as incurred. Directly attributable costs incurred on development projects (relating to the design, development and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

I. it is technically feasible to complete the intangible asset so that it will be available for use or sale;
II. management intends to complete the intangible asset and use or sell it;
III. there is an ability to use or sell the intangible asset;
IV. it can be demonstrated how the intangible asset will generate probable future economic benefits;
V. adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
VI. the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised include the software development employee costs.

Development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. Where objective evidence is present that the life should be less than 3 to 5 years, the amortisation period is reduced accordingly.

(B) COMPUTER SOFTWARE

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software to use. These costs are amortised over their estimated useful lives of three to five years. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

(C) IMPAIRMENT

At the end of each reporting period, assets that are subject to amortisation are reviewed for impairment to assess whether there is any indication that the carrying amount may not be recoverable.

Assets that are not yet available for use are tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 CONTRACT FULFILMENT COSTS

Costs relating directly to the fulfilment of a contract or an anticipated contract, which are expected to be recovered are capitalised and are then amortised on a systematic basis consistent with the pattern of the transfer of the services to which the asset relates, generally the license term.

2.11 CONTRACT ACQUISITION COSTS

The Group recognises an asset for the incremental costs of obtaining a contract with a customer if it expects the costs to be recoverable and has determined that certain sales incentive programmes meet the requirements to be capitalised. Capitalised contract acquisition costs are amortised consistent with the pattern of transfer to the customer for the goods and services to which the asset relates. The Group applies the practical expedient available under IFRS 15 and does not capitalise the incremental costs of obtaining contracts if the amortisation period is one year or less.

2.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight-line basis over its expected useful life as follows:

Fixtures and fittings	5 years
Computer equipment	3 - 5 years

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the related lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An item of property, plant and equipment is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit & Loss when the asset is derecognised.

In accordance with IAS 36 Impairment of Assets, the carrying amounts of items of Property, Plant and Equipment are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment.

If an indicator of impairment is identified, an impairment review is carried out as of the reporting date to determine the recoverable amount, which is the higher of the fair value less costs to sell and/or value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

If an indicator of impairment is found but there is no impairment charge following review, the depreciation method, the life and residual value are reviewed to ensure they remain appropriate.

If an indicator of impairment is found but there is an impairment charge identified following the review the impairment loss is recognised in the Consolidated Statement of Profit & Loss. Following the recognition of an impairment loss, the depreciation charge applicable to the asset of cash-generating unit is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

2.13 TAXATION

The Company is managed and controlled in the Republic of Ireland and, consequently, is tax resident in Ireland.

The income tax expense or credit for the period is the tax payable (or recoverable) on the current period's taxable income (or loss), based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is recognised, using the liability method, on all temporary differences at the Statement of Financial Position sheet date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets and liabilities are not subject to discounting and are measured using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 TAXATION (continued)

However, if the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit and loss, it is not accounted for and does not give rise to equal taxable and deductible temporary differences.

Deferred tax is recognised in the Consolidated Statement of Other Comprehensive Income or directly in equity, if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income or directly in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses and credits can be utilised. The carrying amounts of deferred tax assets are reviewed at each Statement of Financial Position date and are reduced to the extent that it is no longer probable that sufficient taxable profits would be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Uncertain Tax Positions

The Group has recognised a liability that relates to uncertain tax positions as at the reporting date. These uncertain tax positions arise as a result of tax reviews undertaken by the Group across multiple jurisdictions. These liabilities are disclosed as social security and other taxes within Trade and other payables.

2.14 TRADE AND OTHER RECEIVABLES

The Group applies IFRS 9 Financial Instruments. IFRS 9 sets out the classification, subsequent measurement and impairment requirements for all financial assets, including trade receivables.

Recognition and initial measurement

Financial assets, including trade receivables, are recognised on the Consolidated Statement of Financial Position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables that do not have a significant financing component (as defined in IFRS 15) are initially recognised at their transaction price. Trade receivables that do have a significant financing component (as defined in IFRS 15) are initially discounted using the discount rate that would be reflected in a separate financing transaction between the Datalex and the customer at contract inception. When all other financial assets are recognised initially, they are measured at fair value and in the case of financial assets not at fair value through profit and loss plus directly attributable transaction costs.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or has been transferred, and the Group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss. Where this financial asset is not an equity instrument designated at fair value through Other Comprehensive Income.

Subsequent measurement

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, which approximates to fair value given the short-dated nature of these amounts.

For trade receivables which contain and do not contain a significant financing component, the Group applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses judgement in making assumptions around the risk of default and expected loss rates, based on the Group's past history, existing market conditions and comparable information, as well as forward-looking estimates at the end of each reporting period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.15 CONTRACT ASSETS

Trade receivables are recognised for amounts due in respect of performance obligations satisfied in advance of receiving consideration where the receipt of consideration is unconditional other than for the passage of time. Where the receipt of consideration is conditional other than for the passage of time, a contract asset shall be recognised. Judgement is required in determining whether the right to consideration is conditional other than for the passage of time.

Contract assets are classified as current or non-current depending on when it is expected that they will be realised.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.15 CONTRACT ASSETS (continued)

Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. For contract assets, the Group applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses judgement in making assumptions around the risk of default and expected loss rates, based on the Group's past history, existing market conditions and comparable information, as well as forward-looking estimates at the end of each reporting period. Impairment losses on contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2.16 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, which approximates fair value given the short-dated nature of these liabilities. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless Datalex has an unconditional right to defer payment for at least one year as at the reporting period.

2.17 CONTRACT LIABILITIES

Contract liabilities primarily reflect amounts due, or payments received from customers in advance of the performance obligations being satisfied and revenue recognised. Contract liabilities are recognised as revenue when the Group satisfies the contract performance obligations. Contract assets and liabilities are netted if, and only if, they arise under the same customer contractual arrangement. Contract liabilities are classified as current or non-current on the basis of when the related revenue is anticipated to be recognised.

2.18 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 EMPLOYEE BENEFITS

(A) PENSION OBLIGATIONS

The Group operates defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independently administrated pension fund.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(B) SHARE-BASED PAYMENT TRANSACTIONS – SHARE OPTION SCHEMES

The Group and Company operate equity-settled share-based compensation plans. Employees (including Directors) of the Group and Company receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the Consolidated Statement of Profit and Loss. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability). Non-market vesting conditions, including Adjusted EBITDA and cash, are included in assumptions about the number of options that are expected to become exercisable.

At each Statement of Financial Position date, the estimate of the number of options that are expected to vest (become exercisable) is revised. The impact of the revision of original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to equity. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 EMPLOYEE BENEFITS (continued)

(B) SHARE-BASED PAYMENT TRANSACTIONS – SHARE OPTION SCHEMES (continued)

Modifications of the performance conditions are accounted for as a modification under IFRS 2, Share-based Payment. In particular, where a modification increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. Where the share-based payments give rise to the issue of new equity share capital, the proceeds received are credited to share capital (nominal value) and share premium when the options are exercised. Transaction costs for the share options are recorded against retained earnings.

Where the share-based payments give rise to the reissue of shares from treasury shares, the proceeds of the issue are credited to shareholder's equity.

The Group does not operate any cash-settled share-based payments schemes or share-based payment transactions with cash alternatives in IFRS 2. Share options exercised are accounted for at date of exercise with values attributed to share capital and share premium, based on the share option exercise price.

Taxes due by the exercisers are accounted for in accordance with employer tax regulations in the relevant jurisdictions.

(C) SHARE-BASED PAYMENT TRANSACTIONS – DEFERRED SHARE AWARDS

As disclosed in the Remuneration Report, a member of key management was granted a deferred share award. This is an equity-settled scheme. The fair value of the employee services received in exchange for the grant of this award is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the award granted, excluding the impact of any non-market vesting conditions (for example profitability). Non-market vesting conditions, including Adjusted EBITDA and cash, are included in assumptions about the number of awards that are expected to become exercisable. At each Statement of Financial Position date, the estimate of the number of awards that are expected to become exercisable is revised. The impact of the revision of original estimates, if any, is recognised in the Consolidated Statement of Profit & Loss, with a corresponding adjustment to equity. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are satisfied.

Modifications of the performance conditions are accounted for as a modification under IFRS 2. In particular, where a modification increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. Given that the Group has used treasury shares to set up this award, any related proceeds, net of any transaction cost, will be credited to the treasury shares reserve.

Share options exercised are accounted for at date of exercise with values attributed to share capital and share premium, based on the share option exercise price.

Taxes due by the exercisers are accounted for in accordance with employer tax regulations in the relevant jurisdictions.

(D) COMPANY FINANCIAL STATEMENTS

In relation to the Company Financial Statements, the annual cost corresponding to share-based awards and deferred share awards is recorded as part of the cost of investment in subsidiaries in the Company Statement on Financial Position

(E) LONG TERM INCENTIVE PLAN ("LTIP")

As explained in Note 12, the Group has implemented a long-term incentive plan which operates in a similar way to a long-term cash bonus (the "Long Term Incentive Plan" or "LTIP"). At each Statement of Financial Position date, the related provision is calculated based on the estimated fair value of the obligation resulting from applying a straight-line charge approach to the estimated final cash obligation over the term of the award (three years). Remeasurements are recognised immediately through profit or loss.

2.20 LEASES

The Group recognises a Right-of-Use Asset and a lease liability at the date that the lease commences. The Right-of-Use Asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Right-of-Use Assets are depreciated over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group typically uses its incremental borrowing rate as the discount rate. Due to the limited financing options available to the Group, the incremental borrowing rates for the Group's leases have been set, referencing the interest rate on the Tireragh Limited loan facility.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 LEASES (continued)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied a judgement to determine the lease term for some lease contracts that include termination or renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and Right-of-Use Assets recognised.

The weighted average Incremental Borrowing rate applied during 2023 was 10.55% (2022: 10.55%).

2.21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

2.22 EQUITY

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

TREASURY SHARES

Where the Company issues or purchases equity share capital under its Joint Share Ownership Plan or Deferred Share Scheme, which are held in trust by an Employee Benefit Trust, these shares are classified as treasury shares on consolidation until such time as the interests vest and the participants acquire the shares from the Trust or the interests lapse and the shares are forfeited, disposed of by the Trust or otherwise cancelled by the Company. Where such shares are subsequently sold or re-issued, any consideration is included in Total Equity. Treasury shares have been excluded in the calculation of basic and diluted earnings per share (see Note 25).

DIVIDENDS

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's and Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders. Proposed dividends that are approved after the Statement of Financial Position date are not recognised as a liability at the Statement of Financial Position date but are disclosed in the dividends note (Note 27).

2.23 INVESTMENT IN SUBSIDIARIES

Investments in equity shares in subsidiaries included in the Company Statement of Financial Position are stated at cost less allowance for impairment. Such investments are tested for impairment at each Statement of Financial Position date or earlier if events or circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised in profit or loss as the amount by which the asset's carrying amount exceeds its recoverable amount.

2.24 CASH ADVANCES FROM CUSTOMERS

Cash advances from customers consist of payments received from customers in advance of revenue recognition and are initially measured at fair value and released to the Statement of Profit and Loss at the time the related revenue is earned under the applicable revenue recognition policy as stated in Note 2.7 above.

2.25 FINANCE INCOME AND COSTS

Interest income is recognised in the Consolidated Statement of Profit and Loss as it accrues using the effective interest method. Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, facility fees and the unwinding of discounts on provisions. The interest expense component of lease arrangements is recognised in the Consolidated Statement of Profit and Loss using the effective interest rate method.

2.26 EXCEPTIONAL ITEMS

The Group has adopted a format which seeks to highlight significant items within the Group results for the year. Exceptional items are material non-recurring items that derive from events or transactions that fall within the ordinary activities of the Group and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence. Such items may include litigation costs and payments or receipts arising from court case judgements, or once off costs or income where separate identification is important to gain an understanding of the Financial Statements. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature should be disclosed in the Statement of Profit and Loss and related notes as exceptional items. Exceptional items recorded in the year ended 31 December 2023 are presented in Note 23.

Exceptional items are included within the Statement of Profit and Loss captions to which they relate and are disclosed either on the face of the Consolidated Statement of Profit and Loss or in the notes thereto.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.27 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share ("EPS") information for its ordinary shares. Basic EPS is determined by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, including share options granted to employees and awards under employee share award schemes.

2.28 PROVISIONS

A Provision is recognised in the Consolidated Statement of Financial Position when the Group has a present obligation (either legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the Director's best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date and are discounted to present value where the effect is material.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and after it announced its main provisions which has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

2.29 ONEROUS CONTRACTS

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Consolidated and Parent Company Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions concerning the future that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these judgements and estimates.

Estimates and judgements are evaluated, reviewed and revised on an ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities on 31 December 2023 within the next financial year are discussed below.

JUDGEMENTS

(A) REVENUE RECOGNITION

Our accounting policy for revenue, including significant judgements, is set out in Note 2.7. Significant judgement is exercised in determining individual performance obligations, determining appropriate Standalone Selling Prices (including where multiple licenses exist), whether certain performance obligations should be bundled and the identification of material rights.

(B) CAPITALISATION OF DEVELOPMENT COSTS

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and where those costs can be measured reliably. Judgement is necessary to determine commercial and technical feasibility. These calculations also require the use of estimates, primarily around the level of directly attributable management and supervisory time, bug fixing (i.e. rebasing and republishing). Capitalisation ceases and amortisation commences once a product is available for deployment.

The current product roadmap outlines the Group's focus on technology enhancements and developments which represent distinct new capabilities. The items included within the roadmap are determined as a result of customer feedback and developments in the marketplace. The roadmap is updated periodically. The identified capabilities facilitate an increase in the offerings to existing customers and improve the go-to-market options with potential customers. There are appropriate governance structures on the resource time and effort spent on roadmap items to ensure that management can measure reliably the cost of capabilities.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(C) ACCOUNTING FOR EXCEPTIONAL ITEMS

Exceptional items are material non-recurring items that derive from events or transactions that fall within the ordinary activities of the Group and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence. Such items may include litigation costs and payments or receipts arising from court case judgements, or once off costs or income where separate identification is important to gain an understanding of the Financial Statements. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature should be disclosed in the Consolidated Statement of Profit and Loss and related notes as exceptional items.

(D) GOING CONCERN

The Directors have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future. Management judgement and estimate are required in forecasting cashflow projections. The details of the going concern scenarios, key assumptions and mitigating actions are outlined in the going concern statement within Note 2.5.

(E) IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES (COMPANY)

Investments in subsidiaries are tested for impairment at each Statement of Financial Position date or earlier if events or circumstances indicate that the carrying amount exceeds its recoverable amount. Such an assessment involves judgement regarding the future financial performance of the subsidiaries.

Directors previously assessed the recoverable amount of the investment having taken into consideration a range of assumptions as well as events post the Statement of Financial Position date. Following this assessment, a full impairment provision was retained against the carrying value of the investment arising from the uncertainties as to the future profitability of the subsidiary. In the current year, the Directors have deemed it appropriate to maintain the full impairment provision recorded in the prior years. The events that gave rise to the provision remain applicable to the 2023 Financial Statements.

ESTIMATES

(A) REVENUE RECOGNITION

In determining the Standalone Selling Price ("SSP") for managed hosting services and professional services associated with customer implementations the Group uses a "cost plus" approach.

This margin applied for determining the SSPs for each of these revenue streams requires significant estimation. Management has utilised actual margin data from existing and past contracts to validate that the current margins utilised for the "cost plus" approach are reasonable.

(B) EXPECTED CREDIT LOSSES

Financial assets, including trade receivables are subject to IFRS 9, Financial Instruments, which requires management to estimate the probability of default on an asset at the year-end date. This requires significant estimation and judgement.

Management has used a common methodology to calculate the expected credit loss under IFRS, whereby: Expected credit loss (ECL) = PD*LGD*EAD

- PD is the probability of default, i.e. the likelihood of a default happening over a prescribed period;
- LGD, or loss given default, is the percentage that could be lost in the event of a default. Datalex assume an LGD of 100%, i.e. an assumption that for the amount that would be calculated as a result of the probability of default, Datalex will lose 100% of this amount;
- EAD is the Exposure at Default. This consists of the asset amount at the period end date for each customer.

Management has utilised a third-party consultant to assist in the obtaining and calculation of yield spreads. These yield spreads form part of the inputs to assess the probability of default by the Group's customers.

(C) EXPECTED CREDIT LOSSES (COMPANY)

Datalex PLC is also applying IFRS in the stand-alone Financial Statements and is therefore required to calculate expected credit losses on all financial assets, including intercompany loans within the scope of IFRS 9, 'Financial Instruments'. Certain simplifications from IFRS 9's general 3-stage impairment model are available for trade receivables (including intercompany trade receivables), contract assets or lease receivables, but these do not apply to intercompany balances. The amounts owed to the PLC Company by Group undertakings are interest free, unsecured and are repayable on demand. Having had due consideration of the ECL model set out in section (B) above, the Directors deemed it appropriate, as in the prior year, to record an ECL provision at 100% of the net intercompany receivable balance at the year end.

(D) IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES (COMPANY)

Investments in subsidiaries are tested for impairment at each Statement of Financial Position date or earlier if events or circumstances indicate that the carrying amount exceeds its recoverable amount. Such an assessment involves judgement regarding the future financial performance of the subsidiaries.

Directors previously assessed the recoverable amount of the investment having taken into consideration a range of assumptions as well as events post the Statement of Financial Position date. Following this assessment, a full impairment provision was retained against the carrying value of the investment arising from the uncertainties as to the future profitability of the subsidiary. In the current year, the Directors have deemed it appropriate to maintain the full impairment provision recorded in the prior years. The events that gave rise to the provision remain applicable to the 2023 Financial Statements.

4 PROPERTY, PLANT AND EQUIPMENT

This note details the tangible assets utilised by the Group to generate revenues and contribution to profits. The cost of these assets primarily represents the amounts originally paid for them. All assets are depreciated over their estimated useful economic lives.

	Group			
	Fixtures & fittings	Computer equipment	Leasehold improvements	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 January 2022	**393**	**670**	**1,159**	**2,222**
Additions	-	126	-	126
Disposals	(314)	(273)	(940)	(1,527)
Foreign currency translation adjustment	-	(8)	(2)	(10)
At 31 December 2022	**79**	**515**	**217**	**811**
Accumulated Depreciation				
At 1 January 2022	**(374)**	**(557)**	**(1,042)**	**(1,973)**
Depreciation - PP&E	(14)	(72)	(57)	(143)
Disposals	311	268	909	1,488
Foreign currency translation adjustment	-	7	2	9
At 31 December 2022	**(77)**	**(354)**	**(188)**	**(619)**
Net book value				
Cost	79	515	217	811
Accumulated depreciation	(77)	(354)	(188)	(619)
At 31 December 2022	**2**	**161**	**29**	**192**
Cost				
At 1 January 2023	**79**	**515**	**217**	**811**
Additions	-	5	11	16
Disposals	-	(45)	(1)	(46)
Foreign currency translation adjustment	(1)	(2)	-	(3)
At 31 December 2023	**78**	**473**	**227**	**778**
Accumulated Depreciation				
At 1 January 2023	**(77)**	**(354)**	**(188)**	**(619)**
Depreciation - PP&E	(2)	(82)	(31)	(115)
Disposals	-	42	1	43
Foreign currency translation adjustment	1	1	1	3
At 31 December 2023	**(78)**	**(393)**	**(217)**	**(688)**
Net book value				-
Cost	78	473	227	778
Accumulated depreciation	(78)	(393)	(217)	(688)
At 31 December 2023	**-**	**80**	**10**	**90**

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

5 INTANGIBLE ASSETS

	Software	Product development	Work in progress	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 January 2022	**909**	**1,241**	**2,156**	**4,306**
Additions	-	-	2,406	2,406
Disposals	(22)	-	-	(22)
Transfers	-	3,950	(3,950)	-
At 31 December 2022	**887**	**5,191**	**612**	**6,690**
Accumulated amortisation				
At 1 January 2022	**(386)**	**(251)**	**-**	**(637)**
Disposals	22	-	-	22
Amortisation	(186)	(998)	-	(1,184)
At 31 December 2022	**(550)**	**(1,249)**	**-**	**(1,799)**
Closing net book value at 31 December 2022	**337**	**3,942**	**612**	**4,891**
Cost				
At 1 January 2023	**887**	**5,191**	**612**	**6,690**
Additions	95	-	1,339	1,434
Impairment	-	-	(46)	(46)
Disposals	-	(14)	-	(14)
Transfers	-	1,045	(1,045)	-
At 31 December 2023	**982**	**6,222**	**860**	**8,064**
Accumulated amortisation				
At 1 January 2023	**(550)**	**(1,249)**	**-**	**(1,799)**
Disposals	-	14	-	14
Amortisation	(126)	(1,824)	-	(1,950)
At 31 December 2023	**(676)**	**(3,059)**	**-**	**(3,735)**
Closing net book value at 31 December 2023	**306**	**3,163**	**860**	**4,329**

5 INTANGIBLE ASSETS (continued)

WORK IN PROGRESS
During the latter part of 2019 the Group completed the review of its approach to market and its product development activities. As a result of the review, the management team developed a "Strategic Product Roadmap" that aligned with the strategic object of product first and future proofed platform. This roadmap outlines the Group's focus on technology enhancements and developments which represent distinct new capabilities. Work on these capabilities remains active at the year end date. Once the platform enhancements are made available to the business and are available for use they are moved out of work in progress into additions.

ADDITIONS
The Group completed a number of new capabilities and enhancements during the year. These are now available for deployment to our existing customers and any potential new customers. Amortisation of these costs has commenced from the date that they are complete and ready for deployment.

AMORTISATION
Intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation, and amortisation commences once the asset is available for use as stated in Note 2. Amortisation is recognised as an expense in the Consolidated Statement of Profit and Loss.

IMPAIRMENT
As a result of continuing losses incurred by its subsidiaries and the existing macro economic factors, an impairment assessment was prepared which resulted in an impairment provision of US$46k (2022: US$Nil) which has been recognised in the Consolidated Statement of Profit and Loss.

WRITE-OFF OF DEVELOPMENT EXPENDITURE INCURRED
An amount of US$1.8m (2022: US$3.0m) was incurred by the Group during the year ended 31 December 2023 in respect of development expenditure, of which US$1.3m (2022: US$2.4m) has been capitalised. An amount of US$0.2m (2022: US$0.4m) has been accrued for an R&D tax credit claim in respect of this expenditure at 31 December 2023.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note details the lease disclosures for the Group.

RIGHT-OF-USE ASSETS

Right-of-use assets related to leased properties are presented below:

	Group			
	Office buildings	Computer equipment	Motor vehicles	Total
	US$'000	US$'000	US$'000	US$'000
At 31 December 2022				
Cost	2,194	887	52	3,133
Accumulated depreciation	(1,606)	(882)	(47)	(2,535)
Closing net book value	**588**	**5**	**5**	**598**
Year ended 31 December 2022				
Opening net book value	**1,090**	**90**	**7**	**1,187**
Additions	-	-	11	11
Disposals	-	-	-	-
Depreciation - right of use assets	(505)	(85)	(12)	(602)
foreign currency translation adjustment	3	-	(1)	2
Closing net book value	**588**	**5**	**5**	**598**
Year ended 31 December 2023				
Opening cost	**2,194**	**887**	**52**	**3,133**
Additions	773	-	-	773
Disposals	(887)	-	(52)	(939)
foreign currency translation adjustment	3	-	-	3
Closing cost	**2,083**	**887**	**-**	**2,970**
Opening accumulated depreciation	**(1,606)**	**(882)**	**(47)**	**(2,535)**
Depreciation - right of use assets	(377)	(5)	(5)	(387)
Disposals	887	-	52	939
foreign currency translation adjustment	(2)	-	-	(2)
Closing accumulated depreciation	**(1,098)**	**(887)**	**-**	**(1,985)**
At 31 December 2023				
Cost	2,083	887	-	2,970
Accumulated depreciation	(1,098)	(887)	-	(1,985)
Closing net book value	**985**	**-**	**-**	**985**

6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from the Group's leasing activities. The projections are based on the foreign exchange rates applying at the end of the relevant financial year and on interest rates (discounted projections only) applicable to the lease portfolio.

	As at 31 December 2023		As at 31 December 2022	
	Discounted	Undiscounted	Discounted	Undiscounted
	US$'000	US$'000	US$'000	US$'000
Within one year	424	527	470	542
Between one and two years	289	350	282	315
Between two and three years	255	288	123	137
Between three and four years	193	206	76	78
Total	**1,161**	**1,371**	**951**	**1,072**

The table below summarises the rental payments made by the Group and the unwinding of discounts in relation to lease liabilities

	2023	2022
	US$'000	US$'000
Payments	(642)	(906)
Discount unwinding	146	141
Total	**(496)**	**(765)**

The Group avails of the exemption from capitalising lease costs for short-term leases where the relevant criteria are met. Variable lease payments directly linked to sales or usage are also expensed as incurred. The following lease costs have been charged to the Consolidated Statement of Profit and Loss as incurred:

	2023	2022
	US$'000	US$'000
Short-term leases	120	13
Total	**120**	**13**

7 DEFERRED CONTRACT FULFILMENT COSTS

This note details the deferred contract fulfilment costs that arise from customer service contracts and comprise of staff and contractor/outsource partner costs incurred. These costs are being deferred under IFRS 15 and will be recognised as the related performance obligations are fulfilled.

The movements in the contract fulfilment cost asset in the year were as follows:

	Group 2023	Group 2022
	US$'000	US$'000
At 1 January	**131**	**2,867**
Costs impaired on amendment of customer contract	-	(454)[1]
Costs released upon fulfilment of customer performance obligations	(131)	(2,282)
At 31 December	**-**	**131**

	Group 2023	Group 2022
	US$'000	US$'000
Current		
Costs incurred to fulfil customer contract	-	131
Non-current		
Costs incurred to fulfil customer contract	-	-
Total	**-**	**131**

Deferred contract fulfilment costs arise from customer service contracts and comprise of staff and contractor/outsource partner costs incurred at the end of the financial year. These costs are deferred under IFRS 15 and are recognised as the related performance obligations are fulfilled.

The deferred costs incurred in 2022 relate to implementation services for projects that went live in December 2022 and were fully implemented in 2023.

Accordingly, the deferred fulfilment costs have been fully utilised and released as at 31 December 2023, with no costs incurred during the year.

(1) As a result of COVID-19, a customer paused their implementation prior to the scheduled go-live date. At the time the project was on track to meet the go-live requirements. During the paused period the contract was amended and some previously planned releases and capabilities are no longer applicable under the delivery plan for the amended contract. The impairment amount of US$0.45m during 2022 represents costs incurred on these releases and capabilities prior to the contract been amended.

8 CONTRACT ACQUISITION COSTS

This note details the contract acquisition costs incurred by the Group. The balance primarily relates to commission payable to customer relationship managers on obtaining new commercial arrangements with customers. The balance is amortised over the life of the contractual relationship.

	Group 2023	Group 2022
	US$'000	US$'000
Cost		
At 1 January	137	977
Additions	213	137
Expiry of contractual relationship - previously capitalised costs	-	(977)
At 31 December	**350**	**137**
Accumulated Amortisation		
At 1 January	4	977
Amortisation charge	26	4
Expiry of contractual relationship - previously capitalised costs	-	(977)
At 31 December	**30**	**4**
Opening net book value	133	-
Closing net book value	**320**	**133**

The closing net book value is estimated to be amortised over the following period:

	Group 2023	Group 2022
	US$'000	US$'000
Less than one year	45	12
Between two and five years	205	50
Greater than 5 years	70	71
Total	**320**	**133**

9 INCOME TAX

(A) INCOME TAX

	Group Total 2023	Group Total 2022
	US$'000	US$'000
Current tax		
Irish corporation tax for the year	-	-
Foreign corporation tax for the year	6	58
Adjustments in respect of prior periods	26	2
Total current tax charge	**32**	**60**

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Irish domestic tax rate applicable to profits and losses of the consolidated companies as follows:

	Group Total 2023	Group Total 2022
	US$'000	US$'000
Loss before income tax	(8,988)	(11,404)
Loss before tax multiplied by the standard rate of tax in the Republic of Ireland of 12.5% (2022: 12.5%)	(1,124)	(1,426)
Expenses not deductible and income not taxable	910	428
Utilisation of previously unrecognised tax losses	(124)	(480)
Difference in effective tax rates on overseas earnings	(329)	103
Tax losses for which no deferred tax asset was recognised	673	1,442
Adjustments in respect of previous periods	26	2
Other	-	(9)
Income tax charge	**32**	**60**

9 INCOME TAX (continued)

(B) DEFERRED TAX

Deferred tax assets have not been recognised in respect of the following:

	Group 2023	Group 2022
	US$'000	US$'000
Unused tax losses	18,763	22,302
R&D credits available	42	1,382
Temporary differences	6	6
Total	**18,811**	**23,690**

The unrecognised deferred income tax assets in respect of losses relate to unused tax losses in Datalex Solutions (UK) Limited, Datalex PLC, Datalex Ireland Limited and Datalex USA, Inc. While the Directors are confident that the Group and its trading subsidiaries will return to sustainable growth and become cashflow positive in the medium term, there remains an element of uncertainty regarding the likelihood of there being sufficient taxable profits in this period to utilise a deferred income tax asset. As a result, the Directors have determined that it is not appropriate to recognise deferred tax assets in respect of losses carried forward and R&D tax credits.

10 TRADE AND OTHER RECEIVABLES

Trade and other receivables mainly consist of amounts owed to the Group by customers & contract assets, net of an allowance for expected credit losses, together with prepayments, VAT Receivables and R&D tax credits receivable.

	Group 2023	Group 2022	Company 2023	Company 2022
	US$'000	US$'000	US$'000	US$'000
Current trade and other receivables				
Trade receivables	8,159	3,917	-	-
Less: allowance for expected credit losses on trade receivables	(3,171)	(3,028)	-	-
Trade receivables – net	**4,988**	**889**	-	-
Contract assets	2,423	1,242	-	-
Less: allowance for expected credit losses on contract assets	(59)	(110)	-	-
Contract assets – net	**2,364**	**1,132**	-	-
Amounts owed by Group undertakings	-	-	54,350	45,626
Less: allowance for expected credit losses on amounts owed by Group undertakings	-	-	(54,350)	(45,626)
Amounts owed by group undertakings – net	-	-	-	-
Prepayments	576	466	26	-
Research and development tax credit - current	240	266	-	-
VAT receivable	122	304	66	65
Other receivables	108	54	101	51
Total other receivables	**1,046**	**1,090**	**193**	**116**
Total current trade and other receivables and contract assets - net	**8,398**	**3,111**	**193**	**116**
Non-current trade and other receivables				
Research and development tax credit - non-current	-	118	-	-
Total non-current trade and other receivables	-	**118**	-	-
Total trade and other receivables and contract assets	**8,398**	**3,229**	**193**	**116**

The fair value of trade receivables and contract assets approximate to the values shown above. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above in addition to cash at banks. The Group does not hold collateral as security.

10 TRADE AND OTHER RECEIVABLES (continued)

CREDIT RISK AND ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Group has applied IFRS 9, Financial Instruments, during the year, which includes the requirements for calculating allowance for expected credit losses on financial assets. Datalex PLC (Company Only) is also applying IFRS in the stand-alone financial statements and is therefore required to calculate expected credit losses on all financial assets, including intercompany loans within the scope of IFRS 9, 'Financial Instruments'. Certain simplifications from IFRS 9's general 3-stage impairment model are available for trade receivables (including intercompany trade receivables), contract assets or lease receivables, but these do not apply to intercompany balances. The amounts owed to the PLC Company by Group undertakings are interest free, unsecured and are repayable on demand. Having had due consideration of the ECL model set out Note 3, the directors deemed it appropriate, as in the prior year, to record an ECL provision at 100% of the net intercompany receivable balance at the year end.

TRADE RECEIVABLES & CONTRACT ASSETS

The Group applies the simplified approach to providing for expected credit losses on trade receivables and contract assets as required by IFRS 9, which permits the use of the lifetime expected loss for such receivables. The Group uses judgement at the end of each reporting period in making assumptions around the risk of default and expected loss rates. These are based on the Group's past history, comparable information, existing market conditions (including the use of market observable credit data either for specific customers or for comparable entities, based on industry, size and geographical location), as well as forward looking estimates (which primarily consisted of information specific at the customer level, with the expected loss rate adjusted where appropriate as a result).

Included within the Trade Receivables amount is a balance of US$nil invoiced to a customer upon termination of contract (2022: US$2.4m). Following the cessation of the implementation project and confirmation that the customer no longer intends to utilise a Datalex platform solution, deferred contract fulfilment costs incurred were offset against the related contract liabilities (advance payment receipts received from the customer). The Company invoiced the customer under the terms of the contract certain costs incurred for which no advanced payment had been received. Whilst the Directors expect to recover in full the outstanding contractual amounts from the customer, due to the on-going litigation a specific provision has been recorded against this trade receivable as the recovery is dependent on the successful outcome of the litigation proceedings.

The allowance for expected credit losses as at 31 December 2023 is determined as presented below. The expected credit losses also incorporate forward looking information for both trade receivables and contract assets:

As at 31 December 2023			Trade receivables					
			Days past due					
	Contract assets	Trade receivable not past due	Within 30 days	Between 31-60 days	Between 61-90 days	More than 90 days	Trade receivables	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Expected loss rate*	8.8%	8.7%	7.9%	0.3%	100.0%	90.5%	77.3%	60.8%
Gross carrying amount	1,242	463	162	4	1	3,287	3,917	5,159
Total balance subject to impairment review	1,242	463	162	4	1	3,287	3,917	5,159
Allowance for expected credit losses	110	40	13	0	1	2,974	3,028	3,138

10 TRADE AND OTHER RECEIVABLES (continued)

As at 31 December 2023			Trade receivables					
			Days past due					
	Contract assets	Trade receivable not past due	Within 30 days	Between 31-60 days	Between 61-90 days	More than 90 days	Trade receivables	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Expected loss rate*	2.4%	2.1%	2.3%	4.3%	0.0%	90.7%	39.0%	30.6%
Gross carrying amount	2,423	1,230	3,282	258	-	3,389	8,159	10,582
Total balance subject to impairment review	2,423	1,230	3,282	258	-	3,389	8,159	10,582
Allowance for expected credit losses	59	26	74	11	-	3,073	3,184	3,243

* The expected loss rates have been calculated using the formula described in Note 3(b). Judgment has been applied in determining the appropriate expected loss rates.

The closing allowance for expected credit losses for trade receivables and contract assets as at 31 December 2023 reconciles to the opening allowance for expected credit losses as follows:

	Contract assets		Trade receivables		Total	
	2023	2022	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January	**110**	**41**	**3,028**	**3,287**	**3,138**	**3,328**
(Decrease) / increase in allowance for expected credit losses recognised in profit or loss during the year	(51)	69	156	(221)	105	(152)
Amounts written off	-	-	-	(38)	-	(38)
At 31 December	**59**	**110**	**3,184**	**3,028**	**3,243**	**3,138**

The Group defines a default as when a financial asset becomes more than 90 days past due, which is based on past experience for similar assets. The Group's policy is to write off a financial asset once it becomes more than 360 days past due, which is also based on past experience.

10 TRADE AND OTHER RECEIVABLES (continued)

Amounts recognised in profit and loss for trade receivables

Movements on the Group allowance for expected credit losses on trade receivables and contract assets are as follows:

	Group 2023 US$'000	Group 2022 US$'000
At 1 January	**3,138**	**3,328**
Movement in allowance for expected credit losses	105	(164)
Amounts written off	-	(26)
At 31 December	**3,243**	**3,138**

The increase in the loss allowance in 2023 is due to a increase in the year end trade debtors' balance during 2023.

The creation and release of the allowance for expected credit losses has been included in net impairment losses on trade receivables and contract assets on the statement of profit or loss.

Other receivables

As at the end of the current and prior year, the allowance for expected credit losses on other receivables was not deemed to be material to the financial statements, with the carrying amount in the statement of financial position reflecting the maximum exposure to credit risk.

The other classes within trade and other receivables do not contain impaired assets.

The majority of the Group's customers, primarily representing major corporations, operate within the airline and travel industry. As at 31 December 2023 and 2022, a significant portion of the trade receivables and contract assets of the Group related to a limited number of customers as follows:

	Group 2023	Group 2022
Customer A	32%	63%
Customer B	18%	18%
Customer C	23%	1%
Customer D	9%	3%
Customer E	6%	3%

(1) Customers whose trade receivable and contract assets balances represent 5% or more of the total trade receivable and contract assets balance at 31 December 2023 or 31 December 2022 are disclosed in the note above.

The gross carrying amounts of the Group's trade receivables and contract assets before deduction of the expected credit losses are denominated in the following currencies:

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

10 TRADE AND OTHER RECEIVABLES (continued)

The gross carrying amounts of the Group's trade receivables and contract assets before deduction of the expected credit losses are denominated in the following currencies:

	Group 2023	Group 2022
	US$'000	US$'000
US dollar	3,398	1,204
Euro	4,698	3,671
Pound sterling	2,486	93
Swedish krona	-	67
Australian dollar	-	124
Total	**10,582**	**5,159**

AMOUNTS OWED BY GROUP UNDERTAKINGS

Amounts owed by Group undertakings and related parties are interest free, unsecured and are repayable on demand.

11 CASH AND CASH EQUIVALENTS

This note details the liquid cash resources available to the Group. The majority of the Group's cash is held in current/on demand accounts.

	Group 2023	Group 2022	Company 2023	Company 2022
	US$'000	US$'000	US$'000	US$'000
Cash at bank and in hand	5,616	6,139	169	231
Short-term bank deposits less than 90 days	158	397	-	-
Cash and cash equivalents	**5,774**	**6,536**	**169**	**231**

The effective interest rate on bank deposits is based on the relevant Euribor rate applicable to the term of the deposit.

The short-term bank deposits which are included in cash and cash equivalents have an average maturity of 30 days (2022: 30 days).

The fair values of the deposits less than 90 days which are part of cash and cash equivalents approximate to the values shown above.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

11 CASH AND CASH EQUIVALENTS (continued)

FOREIGN CURRENCY EXPOSURE

The Group's currency exposure in respect of cash and cash equivalents relates to balances in currencies other than the US dollar. The balances as at 31 December 2022 and 2021 are set out below.

Non-US$ Denominated Cash And Cash Equivalents	Group 2023	Group 2022	Company 2023	Company 2022
	US$'000	US$'000	US$'000	US$'000
Euro	1,917	1,984	145	207
Pound Sterling	772	562	24	24
Chinese Yuan	56	16	-	-
Australian Dollar	110	6	-	-
Swiss Franc	-	-	-	-
Total	**2,855**	**2,568**	**169**	**231**

The Group does not have any bank overdrafts at the year end date (2022: US$nil).

12 SHARE CAPITAL

The ordinary shareholders of Datalex plc own the Company. This note details how the total number of ordinary shares in issue has changed during the year.

Authorised Share Capital - Group And Company	2023	2022
	US$'000	US$'000
Equity share capital		
200,000,000 ordinary shares of US$0.10 each	20,000	20,000
Other equity share capital		
3,000,000 "A" convertible redeemable shares of US$0.10 each	300	300
1,500,000 "B" convertible redeemable shares of US$0.10 each	150	150
30,000 deferred shares of €1.269738 each	44	44
	494	494
Total	**20,494**	**20,494**

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

12 SHARE CAPITAL (CONTINUED)

ISSUED SHARE CAPITAL – GROUP AND COMPANY

	Ordinary shares	Ordinary ("A" and "B") shares	Convertible redeemable shares	Convertible redeemable shares	Deferred shares	Deferred shares
	No. of shares		No. of shares		No. of shares	
	'000	US$'000	'000	US$'000	'000	US$'000
At 1 January 2022	132,154	13,215	2,542	254	30	8
Issued during the year	-	-	-	-	-	-
Employee share option scheme - proceeds from share issues	523	52	-	-	-	-
At 31 December 2022	132,677	13,267	2,542	254	30	8
At 1 January 2023	132,677	13,267	2,542	254	30	8
Issued during the year	8	1	-	-	-	-
Employee share option scheme - proceeds from share issues	-	-	-	-	-	-
At 31 December 2023	132,685	13,268	2,542	254	30	8

ORDINARY SHARES
The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. The issued shares are presented as share capital. The authorised share capital increased in the current year in connection with the Placing and listing on Euronext Growth.

"A" AND "B" CONVERTIBLE REDEEMABLE SHARES
On 1 October 2001, the conversion rights attaching to "A" convertible redeemable shares expired. On 30 March 2007, the conversion rights attaching to the "B" convertible redeemable shares expired. The convertible redeemable shares have no participation rights in relation to profits and surplus in a winding up, no contractual obligations to deliver funds in a winding up and the holders are not entitled to attend or vote at any general meeting of the Company. Following the tenth anniversary of their issue, the Company may, at its discretion, redeem Convertible Shares at their par value.

DEFERRED SHARES
All deferred shares issued have no participation rights in relation to profits and surplus in a winding up, and the holders are not entitled to attend or vote at any general meeting of the Company.

EMPLOYEE SHARE OPTIONS SCHEME – 2012 SCHEME
On 6 February 2012, a new share option plan, The Datalex plc Share Option Plan 2012 (the "2012 Group Share Option Scheme" or "2012 Scheme") was implemented, replacing the original "2000 Share Option Schemes" which expired on their tenth anniversary in August 2010. Under the 2012 Scheme, share options can only vest after the third anniversary of award, and vesting is subject to the achievement of challenging annual performance conditions. At grant date, performance conditions relate to Adjusted EBITDA, cash targets established by the Remuneration Committee and other measures of shareholder value that the Remuneration Committee may consider appropriate.

12 SHARE CAPITAL (continued)

No options may be granted under the 2012 Scheme which would cause the number of shares issued or issuable in the preceding ten years to exceed 10% of the ordinary share capital of the Company in issue at that time. As a further restriction, no options will ordinarily be granted under the 2012 Scheme which would cause the number of shares issued or issuable in the preceding ten years to exceed 7.5% of the ordinary share capital of the Company in issue at that time, but on the basis that the Remuneration Committee may resolve to grant additional options up to the overall 10% limit if it determines either that the Group's underlying financial performance and/ or growth in shareholder value would merit such further dilution or that vesting of any additional such options would be subject to exceptional performance. The basis for any such determination by the Remuneration Committee would be described in the Annual Report and financial statements.

The activities in the 2012 Group Share Option Scheme are summarised in the following table:

	2023 No. of shares	2023 Weighted average exercise price (US$)	2022 No. of shares	2022 Weighted average exercise price (US$)
Outstanding at beginning of year	**139,783**	**1.61**	**341,450**	**1.72**
Issued during the year	-	-	-	-
Exercised during the year	-	-	(50,000)	0.48
Forfeited during the year	(39,783)	1.03	(151,667)	1.81
Outstanding at end of year	**100,000**	**1.84**	**139,783**	**1.61**
Exercisable at end of year	**100,000**	**1.84**	**139,783**	**1.61**

Share options outstanding at the end of the year have the following exercise price ranges and expiry dates:

Exercise price range remaining	Number of options	Weighted average contractual life (in months)
US$0.75 to US$1.00	-	-
US$1.01 to US$1.25	-	-
US$1.26 to US$1.5	-	-
Over US$1.50	100,000	9.91
Total	**100,000**	**9.91**

The credit related to the leaver in the year ended 31 December 2023 in relation to share options issued under the 2012 scheme was US$22k. (2022: charge of US$nil).

EMPLOYEE LONG-TERM INCENTIVE PLAN SCHEME

On 2 December 2020, a new share option plan 'Datalex Long Term Incentive Plan 2020' was implemented. Under the LTIP scheme, share options can only vest when the Performance Period has been completed and the Final Calculated Award has been determined. Challenging performance conditions were set when initial grants were made under this plan. The Committee may change these Performance Conditions for future Awards provided that the conditions remain no less challenging and are aligned with the interests of the Company's shareholders.

An Award may not be granted if the result would be that the aggregate number of Shares issued or issuable pursuant to Awards granted under the Plan or under any other employees' share scheme adopted by the Company (other than any Shares issued or which may be issued by the Company to holders of awards under any share-based incentive plan if such awards were granted prior to the approval of the Plan) in the preceding ten years would exceed 10% of the Company's issued ordinary share capital at the Award Date. The Committee shall ensure that appropriate policies regarding flow rates exist in order to spread the potential issue of new shares over the life of the Plan to ensure that the limit is not exceeded.

12 SHARE CAPITAL (continued)

The activities in the 2020 LTIP - share options scheme are summarised in the following table:

	2023 No. of shares	2023 Weighted average exercise price (US$)	2022 No. of shares	2022 Weighted average exercise price (US$)
Outstanding at beginning of year	**6,564,342**	**0.67**	**2,541,667**	**0.67**
Issued during the year	3,700,020	0.91	5,549,201	0.78
Exercised during the year	-	-	(473,166)	0.59
Forfeited during the year	(2,906,193)	0.77	(1,053,359)	0.58
Outstanding at end of year	**7,358,169**	**0.73**	**6,564,343**	**0.67**
Exercisable at end of year	**2,084,650**	**0.25**	-	-

During 2023 there were 3.7m options granted under this scheme (2022 - 5.5m options) . The fair value of the options granted during 2023 were determined using the Black Scholes model amounted to US$1.0m (2022 - US$3.1m). The weighted average fair value per option granted in 2023 was US$0.26 (2023 - US$0.78). The significant inputs into this model were share prices range of €0.55 - €0.75 (2022 - range of €0.95 - €0.55) at the grant dates (being the market price of shares at the dates of grant), exercise price (which is the same as the share price at the grant date), dividend yield of 0% (2022 - 0%), risk-free interest rates of 4.38% (2022 -2.50%), being the yield on US Treasury 3 year bonds at the date of grant, expected option life of three years and the share price volatility of 132.08% (2022 - range 146.35%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis.

Share options outstanding at the end of the year have the following exercise price ranges and expiry dates:

Exercise price range remaining	Number of options	Weighted average contractual life (in months)
US$0.30 to US$0.50	-	-
US$0.51 to US$0.70	3,502,866	19.34
US$0.71 to US$0.90	3,855,303	23.74
Over US$0.90	-	-
Total	**7,358,169**	**21.65**

The charge for the year ended 31 December 2022 in relation to share options issued under the LTIP scheme was US$109k (2021: US$963k).

12 SHARE CAPITAL (continued)

2023 SPECIAL BONUS PERFORMANCE SHARE AWARD

On 31 August 2023, the Group introduced the 2023 Share Bonus Performance Share Award scheme where eligible employees are granted specified number of shares at a future date upon the employees should remain as Datalex employees until the end of the three-year vesting period and that the annual company performance conditions as set by the Remuneration Committee are achieved.

The activities in the 2023 special bonus performance share award scheme are summarised in the following table:

	2023 No. of shares	2023 Weighted average exercise price (US$)	2022 No. of shares	2022 Weighted average exercise price (US$)
Outstanding at beginning of year	-			-
Granted during the year	2,326,524	0.54	-	-
Vested during the year	-		-	-
Forfeited during the year	-		-	-
Outstanding at end of year	**2,326,524**	**0.54**		-
Weighted average contractual life (in months)	**53**		-	-

The charge for the year ended 31 December 2023 in relation to the 2023 Special Bonus Performance Share Award scheme was US$383k.

During 2023 there were 2.3m options granted under this scheme (2022: none) . The fair value of the options granted during 2023 were determined using the Black Scholes model amounted to US$1.38m. The weighted average fair value per option granted in 2023 was US$0.59. The significant inputs into this model were share prices range of €0.54 - €0.54 at the grant dates (being the market price of shares at the dates of grant), exercise price (which is the same as the share price at the grant date), dividend yield of 0%, risk-free interest rates of 4.38%, being the yield on US Treasury 3 year bonds at the date of grant, expected option life of three years and the share price volatility of 132.08%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis.

SAVE-AS-YOU-EARN SCHEME

In December 2020, the Board of Directors approved the granting of share options under a SAYE scheme for all eligible employees in Ireland & the UK. 45 employees availed of the scheme in 2023 (2022: 46). The scheme will last three years and employees may chose to purchase shares at a fixed price set at the start.

The total expected cost of the SAYE scheme is estimated at $645k (2022: $677K) of which $199k has been recognised in the consolidated income statement (2022: $225k). The remaining $108k will be charged against the consolidated statement of profit and loss over the remainder of the three year vesting period.

	2023 No. of shares	2023 Weighted average exercise price (US$)	2022 No. of shares	2022 Weighted average exercise price (US$)
Outstanding at beginning of year	**1,027,464**	**0.58**	**1,084,232**	**0.66**
Issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	(48,461)	0.58	(56,768)	0.58
Outstanding at end of year	**979,003**	**0.60**	**1,027,464**	**0.58**
Exercisable at end of year	-	-	-	-
Weighted average contractual life (in months)		**30**		**42**

13 OTHER RESERVES

This note details the movement in the Group's other reserves which are treated as different categories of equity as required by accounting standards.

Group	Share premium	Other capital reserves	Share-based payments reserve	Other reserves	Foreign currency translation	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2022	**31,304**	**134**	**5,277**	**1,083**	**(194)**	**37,604**
Share based payments	-	-	1,188	-	-	1,188
Premium on shares issued	255	-	-	-	-	255
Currency translation differences	-	-	-	-	(209)	(209)
Balance at 31 December 2022	**31,559**	**134**	**6,465**	**1,083**	**(403)**	**38,838**
Balance at 1 January 2023	**31,559**	**134**	**6,465**	**1,083**	**(403)**	**38,838**
Share based payments	-	-	671	-	-	671
Premium on shares issued	3	-	-	-	-	3
Currency translation differences	-	-	-	-	66	66
Balance at 31 December 2023	**31,562**	**134**	**7,136**	**1,083**	**(337)**	**39,578**

SHARE PREMIUM
Share premium from 2023 and 2022 arise on the issue of new Ordinary shares under share option schemes. (see note 12)

SHARE-BASED PAYMENT RESERVE
The share-based payments reserve comprises of amounts expensed in the Consolidated Statement of Profit and Loss in connection with awards made under the equity-settled share-based plans, being the 2012 employee share option schemes, 2020 and 2022 long-term incentive plan, 2023 special performance bonus award and save-as-you-earn scheme. (see Note 12).

OTHER RESERVE
Other reserves relate mainly to the proceeds from exercise of collateral on 1.85m Datalex plc shares. In 2002, three former Datalex executives in the USA established a new business called Conducive Technology Corp ("CTC"). Datalex provided this Company with a US$800,000 working capital loan, secured against any future proceeds of sale of 1.85m shares in Datalex held by the founders of CTC. On 25 January 2012, CTC disposed of 1.56m shares, which were acquired at the open market price by The Datalex Employee Benefit Trust, as part of the implementation of the Joint Share Ownership Plan. In October 2012, CTC completed the sale of the remaining 290,000 shares, remitting these proceeds to Datalex plc. Given that the loan had previously been written off through reserves on transition to IFRS, the proceeds recovered were recognised through reserves directly under IAS 32, Financial Instruments: Presentation. During 2021, the Trust shares that were disposed of gave rise to a difference between the historical cost at which they were recorded and the hurdle price, which is being recognised in other reserves.

FOREIGN CURRENCY TRANSLATION
The foreign currency translation reserve comprises of cumulative currency translation adjustment in respect of subsidiaries whose functional currencies are not the US dollar. The translation adjustments arise from the retranslation of the profits of such operations from the average exchange rate for the year to the exchange rate at the statement of financial position date as well as the retranslation of those subsidiaries' applicable assets and liabilities.

13 OTHER RESERVES (continued)

Company	Share premium	Share-based payments reserve	Total
	US$'000	US$'000	US$'000
Balance at 1 January 2022	**71,233**	**5,277**	**76,510**
Share based payments	-	1,188	1,188
Premium on shares issued	255	-	255
Balance at 31 December 2022	**71,488**	**6,465**	**77,953**
Balance at 1 January 2023	**71,488**	**6,465**	**77,953**
Share based payments	-	671	671
Premium on shares issued	3	-	3
Balance at 31 December 2023	**71,491**	**7,136**	**78,627**

14 BORROWINGS

Group borrowings are made up of lease liabilities and debt funding. The Group obtained debt funding from a related party to support its working capital needs.

	Group 2023	Group 2022
	US$'000	US$'000
Lease liabilities	1,161	951
Related party secured loan	16,196	5,470
Total borrowings	**17,357**	**6,421**
Disclosed as		
Current liabilities	16,620	5,940
Non-current liabilities	737	481
Total borrowings	**17,357**	**6,421**

LEASE LIABILITIES

Included in lease liabilities at 31 December 2023 and 2022 above are the following amounts:

	Group 2023	Group 2022
	US$'000	US$'000
Current liabilities	424	470
Non-current liabilities	737	481
Total lease liabilities arising from IFRS 16	**1,161**	**951**

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

	Group 2023	Group 2022
	US$'000	US$'000
US Dollar	163	437
Euro	671	105
Pound Sterling	327	409
Chinese Yuan	-	-
Total	**1,161**	**951**

14 BORROWINGS (continued)

RELATED PARTY SECURED LOAN

	Group & Company 2023	Group & Company 2022
	US$'000	US$'000
Current liabilities	16,196	5,470
Non-current liabilities	-	-
Total loan liabilities	**16,196**	**5,470**

On 28 May 2021, Tireragh Limited entered into the Second Amendment and Restatement Agreement with the Company under which the Company and Tireragh Limited have agreed that, conditional upon approval by the Company's independent shareholders, the completion of the Capital Raise and the repayment of the amounts then outstanding under the Tireragh Limited loan facility, the Group will have access to the Facility B credit facility of up to €10 million which may be drawn down for general working capital purposes until 31 December 2022 with a repayment date of 30 June 2023. The facility incurs interest on drawn down balances at the rate of 10% per annum, compounding monthly and rolled up until maturity.

The second amendment and restatement agreement provides that unless and until a loan is outstanding, the obligations relating to (i) noncompliance with financial covenants and (ii) cross default will not apply but must be satisfied in advance of any drawdown under Facility B.

The Company continues to have access to the Facility B credit facility of up to €10 million as described above. At 31 December 2023, all €10m under Facility B had been drawn down.

On 11 April 2023, Tireragh Limited entered into the third amendment and restatement agreement with the Company. This amended and restated the facilities agreement to extend the repayment date for all amounts owing to Tireragh Limited from 30 June 2023 out to 31 December 2024. It also extended the availability period of Facility B to 30 June 2023. The rate of interest payable on loans made under the facilities agreement increased from 10 per cent per annum to 15.5 per cent per annum with effect from 11 April 2023, increased to 16.5 per cent per annum from 1 July 2023 and will increase to 18 per cent per annum from 1 October 2023.

On 14 September 2023, Tirerargh Limited entered into the fourth amendment and restatement agreement with the Company which provides the Group with an additional credit facility of €5m ("Facility C") increasing the total facility available to €15m (2022: €10m). At 31 December, the Group has drawn down €13m from the Tireragh Limited loan facility (2022: €5m). All amounts drawn under the Groups facilities with Tireragh Limited are required to be repaid by 31 December 2024.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

14 BORROWINGS (continued)

These facilities require cross guarantees to be provided by the Company and Datalex (Ireland) Limited. Additionally, Datalex USA, Inc. and Datalex Solutions (UK) Limited were required to act as additional guarantors of the Facility. The obligations of the Company and each of the guarantors to Tireragh Limited, include:

(i) A debenture entered into by the Company creating fixed and floating charges over all of its assets, undertaking and goodwill as security for its and the other guarantors' obligations to Tireragh Limited with respect to the facility;
(ii) A debenture creating fixed and floating charges over all of Datalex Ireland Limited's assets, undertaking and goodwill as security for its and the other guarantors' obligations to Tireragh Limited with respect to the facility;
(iii) Security provided over the shares of Datalex USA Inc. and Datalex Solutions (UK) Limited granted by Datalex (Ireland) Limited;
(iv) US law security over such assets, undertaking and goodwill of Datalex USA Inc. as may be permissible as a matter of US law as security for its and the other guarantors' obligations to Tireragh Limited with respect to the Tireragh Limited facilities;
(v) A debenture entered into by Datalex Solutions (UK) Limited granting fixed and floating charges over all of its assets, undertaking and goodwill as security for its and the other guarantors' obligations to Tireragh Limited with respect to the Tireragh Limited facilities; and
(vi) Requirements to adhere to certain financial covenants, as outlined below:

The key financial covenants pertaining to the loan facilities with Tireragh Limited are:

› Achievement of Revenue and EBITDA targets, subject to agreed performance criteria, on a six month rolling basis.

› Achievement of Cash & Bank balances and Working Capital targets on a monthly basis,subject to agreed performance criteria and testing over two consecutive months.

The existing security granted by members of the Datalex Group will continue to secure all obligations under the Tireragh Limited facilities agreement as will the obligations listed at (i) to (vi) above

The existing security granted by members of the Datalex Group will continue to secure all obligations under the Facilities Agreement as will the obligations listed at (i) to (vi) above.

At the year end date, the loan balance payable under the Tireragh Limited loan facility (which is denominated in euro) was comprised of:

	Group & Company 2023	Group & Company 2022
	US$'000	US$'000
At 1 January	**5,470**	-
Drawdown	8,576	4,987
Repayment	-	-
Debt issuance costs	(229)	-
Debt issuance costs - amortisation	80	-
Interest charges	1,802	129
Loan facility fees	-	-
Foreign exchange	497	354
31 December	**16,196**	**5,470**

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

15 PROVISIONS

	Group 2023	Group 2022
	US$'000	US$'000
Current liabilities		
Regulatory costs compliance	90	93
Dilapidation costs	-	-
Onerous Contract	-	24
Total Current	**90**	**117**
Non-Current liabilities		
Regulatory costs compliance	96	162
Total Non-Current	**96**	**162**
Total Provisions	**186**	**279**

A. REGULATORY COSTS COMPLIANCE

As a result of the events that occurred in 2018, the Group is subject to a number of regulatory investigations that are likely to continue into the future.

The Group has estimated the costs associated with responding to and addressing the requirements of the Regulators, including the Corporate Enforcement Authority, the Central Bank of Ireland and An Garda Síochána.

	Group & Company 2023	Group & Company 2022
	US$'000	US$'000
At 1 January	**255**	**731**
Released in the year	(35)	(412)
Used in the year	(42)	-
Foreign exchange	8	(64)
At 31 December	186	255

During the year a portion of the provision was utilised to the Consolidated Statement of Profit and Loss and is presented within exceptional items in line with the original accounting treatment for the provision in prior periods.

It is expected that the provision will be fully utilised over the course of 2 years from 31 December 2023 (2022: 3 years).

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

15 PROVISIONS (continued)

B. DILAPIDATION COSTS

	Group 2023	Group 2022
	US$'000	US$'000
At 1 January	-	**256**
Used in the year	-	(256)
Charged to the statement of profit or loss	-	-
At 31 December	-	-

In 2022, in accordance with the termination of the Datalex Ireland Limited lease agreement, a dilapidations provision was recognised to cover costs required to satisfy the terms of the full repair lease.

C. ONEROUS CONTRACTS

	Group 2023	Group 2022
	US$'000	US$'000
At 1 January	**24**	-
Used in the year	(24)	-
Charged to the statement of profit or loss	-	24
At 31 December	-	**24**

In 2022, one customer contract has been identified as loss making and expected future losses on this contract have been provided for in full. This contract was completed in 2023 and the onerous contract provision was fully released.

16 TRADE AND OTHER PAYABLES

The Group's current trade and other payables mainly consist of amounts owed to our suppliers that have been either invoiced or accrued and are due to be settled within twelve months as well as social security and other taxes payable. The Group's non-current trade and other payables consists of social security and payroll tax amounts that are due to be settled after twelve months.

	Group 2023	Group 2022	Company 2023	Company 2022
	US$'000	US$'000	US$'000	US$'000
Current Liabilities				
Trade payables	3,138	3,650	361	400
Accruals	1,621	1,685	628	469
Pension contributions	138	117	-	-
Social security and other taxes	1,459	877	-	-
VAT payable	47	34	-	-
Other payables	7	24	-	-
Total current trade and other payables	**6,410**	**6,387**	**989**	**869**
Non-current liabilities				
Social security and other taxes	5,633	6,047	-	-
Total non-current trade and other payables	**5,633**	**6,047**	-	-
Total trade and other payables	**12,043**	**12,434**	**989**	**869**

The fair values of trade and other payables are approximate to the values shown above.

Included within non-current social security and payroll taxes is an amount of US$5.6m (2022 : US$6.0m) and within current social security and payroll taxes is an amount of US$0.65m (2022: US$nil) in relation to balances owing as part of the Revenue Debt Warehousing Scheme which the Group availed of during the Covid-19 pandemic. The Group agreed the phased payment arrangement with the Irish Revenue Commissioner and will begin repaying the warehoused balance from May 2024 over the period of 7 years.

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	Group 2023	Group 2022
	US$'000	US$'000
US dollar	1,021	614
Euro	2,077	2,932
Pound sterling	35	100
Other	5	4
Total	**3,138**	**3,650**

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

16 TRADE AND OTHER PAYABLES (continued)

The carrying amounts of the Company's trade payables are denominated in the following currencies:

	Company 2023	Company 2022
	US$'000	US$'000
US dollar	-	36
Euro	361	352
Pound sterling	-	12
Other	-	-
Total	**361**	**400**

17 CONTRACT LIABILITIES

Contract liabilities represent amounts received from customers in advance of delivery of the contractual performance obligations.

	Group 2023	Group 2022
	US$'000	US$'000
Advances for services performance obligations	3,226	1,263
Advances for platform performance obligations	4,605	4,413
Total	**7,831**	**5,676**
Current liabilities	**7,831**	**5,676**
Non-current liabilities	-	-

The details of revenue recognised in 2023 arising from balances included in Contract Liabilities on 1 January 2023 are included in Note 18.

18 SEGMENTAL INFORMATION

The Group is organised into two operating segments. This section provides information on the financial performance for the year on a segmental basis.

The Group's reportable operating segments is based on the reports reviewed by the chief operating decision makers (Executive Leadership Team, the "ELT") that are used to make strategic decisions. The ELT assesses the performance of the operating segments based on the Adjusted EBITDA measure, in conjunction with reviewing other metrics such as Revenue.

The ELT reviews business performance from a product and service perspective. In 2023 and 2022, TPF Consulting (Transaction Processing Facility) did not meet the quantitative thresholds for mandatory disclosure under IFRS 8 Operating Segments (IFRS 8 para 3). However, the ELT have opted to continue to disclose this segment separately on the basis that TPF Consulting is managed independently and that the ELT review the performance of the segment separately. The TPF Consulting business has different characteristics and business challenges compared to the E-Business reporting segment. Throughout the year, management considers the performance of E-Business and TPF Consulting on a separate basis.

18 SEGMENTAL INFORMATION (continued)

The reportable operating segments derive their revenue primarily from the sale of products and services associated with the Group's suite of travel related technology and TPF Consulting revenue. Segment profit is measured using Adjusted EBITDA, which is defined as earnings before interest, tax, depreciation, amortisation (with the exception of amortisation of contract acquisition costs), exceptional costs and the costs of share options and interests granted to Executive Directors and employees. Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive management team is measured in a manner consistent with that in the Consolidated Statement of Profit and Loss.

The E-Business segment consists of the development and sale of a variety of direct distribution software products and solutions to the Airline and Travel industry. The TPF consulting segment provides IT consultancy services to a number of major airlines. The segmental information provided to the ELT for the reportable segments for the year ended 31 December 2023 is as follows:

Group	2023 E-Business	2023 TPF Consulting	2023 Total	2022 E-Business	2022 TPF Consulting	2022 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue from contracts with customers	28,006	879	28,885	22,325	1,212	23,537
Inter-segment revenue	-	-	-	-	-	-
External revenue	28,006	879	28,885	22,325	1,212	23,537
Adjusted EBITDA	(2,977)	77	(2,900)	(5,651)	313	(5,338)
Share Based Payments	(671)	-	(671)	(1,188)	-	(1,188)
EBITDA	(3,648)	77	(3,571)	(6,839)	313	(6,526)
Depreciation	(497)	(5)	(502)	(733)	(12)	(745)
Amortisation	(2,081)	-	(2,081)	(3,470)	-	(3,470)
Operating (loss)/ profit before exceptional items	(6,226)	72	(6,154)	(11,042)	301	(10,741)
Exceptional items	(791)	-	(791)	(296)	-	(296)
Operating (loss)/ profit after exceptional items	(7,017)	72	(6,945)	(11,338)	301	(11,037)
Finance costs	(2,043)	-	(2,043)	(362)	(5)	(367)
(Loss)/ profit before income tax	(9,060)	72	(8,988)	(11,700)	296	(11,404)
Income tax charge	(7)	(25)	(32)	(6)	(54)	(60)
(Loss)/ profit for the year	(9,067)	47	(9,020)	(11,706)	242	(11,464)

18 SEGMENTAL INFORMATION (continued)

A reconciliation of adjusted EBITDA and foreign currency adjusted EBITDA to loss before income tax is provided as follows:

	Group 2023	Group 2022
	US$'000	US$'000
Adjusted EBITDA	**(2,900)**	**(5,338)**
Depreciation	(502)	(745)
Amortisation	(2,081)	(3,470)
Finance costs	(2,043)	(367)
Share Based Payments	(671)	(1,188)
Exceptional items	(791)	(296)
Loss before income tax	**(8,988)**	**(11,404)**

	Group 2023	Group 2022
	US$'000	US$'000
Adjusted EBITDA	(2,900)	(5,338)
Foreign exchange loss	290	90
Foreign Currency Adjusted EBITDA	**(2,610)**	**(5,248)**

Foreign Currency Adjusted EBITDA was a KPI introduced in 2020. Functional currency of the Group is US$. As explained in the debt financing note (Note 14), the Company drewdown €13m debt financing from Tireragh Limited. This loan funding was denominated in Euro.

The measure is presented as it provides useful and necessary information to investors and other interested parties for the following reasons:

- It ensures that the underlying business performance is presented clearly in the accounts and is not adversely or favourably affected by changes in the relative exchange rates which would be outside the control of the business.
- It is the metric that is used for internal performance analysis.

18 SEGMENTAL INFORMATION (continued)

Group	2023 E-Business	2023 TPF Consulting	2023 Total	2022 E-Business	2022 TPF Consulting	2022 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Reportable segment assets:						
Intangible assets:						
Product development	4,023	-	4,023	4,554	-	4,554
Software	306	-	306	337	-	337
Contract Acquisition Costs	320	-	320	133	-	133
Other assets	12,633	2,614	15,247	7,844	2,842	10,686
Total reportable segment assets	**17,282**	**2,614**	**19,896**	**12,868**	**2,842**	**15,710**

Group	2023 E-Business	2023 TPF Consulting	2023 Total	2022 E-Business	2022 TPF Consulting	2022 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Reportable segment liabilities:						
Current liabilities	(29,840)	(173)	(30,013)	(17,988)	(318)	(18,306)
Non-current liabilities	(7,448)	-	(7,448)	(6,682)	(8)	(6,690)
Total reportable segment Liabilities	(37,288)	(173)	(37,461)	(24,670)	(326)	(24,996)

Revenue from external customers is derived from the sales of E-Business products and services associated with the Group's suite of travel related technology and TPF Consulting services.

Analysis of revenue by category	2023 E-Business	2023 TPF Consulting	2023 Total	2022 E-Business	2022 TPF Consulting	2022 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Platform revenue	12,940	-	12,940	11,075	-	11,075
Services revenue	14,078	-	14,078	11,250	-	11,250
Consultancy revenue	-	879	879	-	1,212	1,212
Other revenue	988	-	988	-	-	-
Total revenue from contracts with customers	**28,006**	**879**	**28,885**	**22,325**	**1,212**	**23,537**

18 SEGMENTAL INFORMATION (continued)

Analysis of revenue by category	2023 E-Business	2023 TPF Consulting	2023 Total	2022 E-Business	2022 TPF Consulting	2022 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Platform revenue	12,940	-	12,940	11,075	-	11,075
Services revenue	14,078	-	14,078	11,250	-	11,250
Consultancy revenue	-	879	879	-	1,212	1,212
Other revenue	988	-	988	-	-	-
Total revenue from contracts with customers	**28,006**	**879**	**28,885**	**22,325**	**1,212**	**23,537**

	Group 2023	Group 2022
	US$'000	US$'000
Americas	10,930	11,647
Asia – Pacific	5,530	2,841
Other European	3,864	5,730
Ireland	4,116	2,418
UK	4,445	901
Total revenue from contracts with customers	**28,885**	**23,537**

A significant portion of the revenue of the Group was derived from the external customers as below, all of whom relate to the E-business segment:

	Group 2023 (1)	Group 2022 (1)
Customer A	19%	37%
Customer B	14%	17%
Customer C	14%	13%
Customer D	13%	9%
Customer E	12%	7%
Customer F	5%	3%
Customer G	4%	0%

(1) Customers whose revenue balance represents 5% or more of the total revenue balance at 31 December 2023 or 31 December 2022 are disclosed in the note above.

18 SEGMENTAL INFORMATION (continued)

Contract Balances	Group 2023	Group 2022
	US$'000	US$'000
Trade Receivables - net	4,988	889
Contract assets	2,364	1,132
Contract liabilities	(7,831)	(5,676)

TRADE RECEIVABLES
Trade receivables are non-interest bearing and are generally on terms of 30 days.

E-Business
In 2023, US$3.1m (2022: US$2.9m) was recognised as an allowance for expected credit losses on trade receivables.

TPF
In 2023, US$0.02m (2022: US$0.01) was recognised as an allowance for expected credit losses on trade receivables

CONTRACT ASSETS
Contract assets are initially recognised for amounts due in respect of performance obligations satisfied, in advance of receiving consideration where the receipt of consideration is conditional other than for the passage of time. Contract assets are reclassified to trade receivables once invoiced in accordance with the customers' contractual terms. Contract assets increased in the year as there were higher unbilled amounts due to the Company finalising new contractual arrangements at the year end with a customer.

E-Business
In 2023, US$$0.1 (2022: US$0.1m) was recognised as an allowance for expected credit losses on contract assets.

TPF
In 2023, US$nil (2022: US$nil) was recognised as an allowance for expected credit losses on contract assets

CONTRACT LIABILITIES
Contract liabilities include advances received to deliver licence and implementation services.

The significant increase in contract liabilities in 2023 is explained by onboarding of new customers during 2023 where the license and implementation services will be provided over the course of the following year.

E-Business
US$5.7m revenue from contracts with customers was recognised in 2023 (2022: US$6.2m) in respect of amounts included in contract liabilities at the beginning of the year.

TPF
US$nil revenue from contracts with customers was recognised in 2023 (2022: US$nil) in respect of amounts included in contract liabilities at the beginning of the year.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

18 SEGMENTAL INFORMATION (continued)

REMAINING PERFORMANCE OBLIGATIONS

E-Business

Amounts of our customers' transaction prices that are allocated to remaining (unsatisfied or partially unsatisfied) performance obligations represent contracted revenues that have not yet been recognised. The total transaction price that has been allocated to performance obligations not satisfied in full at 31 December 2023 was US$49.6m (2023: US$38.9m). This total largely comprises obligations to provide professional services to customers and deliver customised license and service arrangements under contracts that have remaining durations in excess of one year and typically have multiple remaining years.

The increase year on year is primarily as a result of new customer contracts and customer renewals, offset by ongoing service delivery.

The estimate of both the amount of transaction price allocated to unsatisfied performance obligations and the expected pattern of recognition is subject to changes arising from, among other things:

- Potential contract modifications;
- Changes to the remaining contracted terms;
- Customers availing of contract renewal options;
- Currency fluctuations, particularly with respect to changes in the Euro and US dollar exchange rates; and
- Actual future transaction fees.

TPF

As the customer simultaneously receives and consumes the benefits provided by TPF's performance, revenue is recognised over time. As at 31 December 2023, there are no remaining performance obligations.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

19 EXPENSES BY NATURE

This note provides additional detail on the nature of the expenses incurred and recorded by the Group.

	Notes	2023 Before exceptional items US$'000	2023 Exceptional items (Note 23) US$'000	2023 After exceptional items US$'000	2022 Before exceptional items US$'000	2022 Exceptional items (Note 23) US$'000	2022 After exceptional items US$'000
Employee benefit expense - net of capitalisation	20	18,267	327	18,594	17,679	-	17,679
Consultants and contractors - net of capitalisation		7,126	-	7,126	5,770	-	5,770
Other staff costs		503	-	503	872	-	872
Amortisation - development costs	5	1,824	-	1,824	998	-	998
Amortisation - software	5	126	-	126	186	-	186
Amortisation - deferred fulfilment costs	7	131	-	131	2,282	-	2,282
Contract Acquisition Costs	8	26	-	26	4	-	4
Office costs		434	-	434	338	-	338
Hosting		1,544	-	1,544	1,470	-	1,470
Professional fees		1,039	418	1,457	1,093	(158)	935
Travel		250	-	250	394	-	394
Depreciation - PP&E	4	115	-	115	143	-	143
Depreciation - Right of Use Assets	6	387	-	387	602	-	602
Net impairment loss /(gain) on financial and contract assets		105	-	105	(164)	-	(164)
Impairment of non-current assets		-	46	46	-	454	454
Third party services		475	-	475	700	-	700
Communication		69	-	69	90	-	90
Software maintenance and other online charges		917	-	917	825	-	825
Insurance		787	-	787	642	-	642
Advertising and marketing		307	-	307	513	-	513
Company secretarial		276	-	276	270	-	270
Other		138	-	138	408	-	408
Total cost of sales, selling and marketing costs, impairment losses on contract and trade receivables, administrative and exceptional expenses		34,846	791	35,637	35,115	296	35,411
Other losses/(gains)		430	-	430	(112)	-	(112)
Total operating costs		**35,276**	**791**	**36,067**	**35,003**	**296**	**35,299**
Disclosed as:							
Cost of sales		19,164	-	19,164	17,136	-	17,136
Selling and marketing costs		307	-	307	513	-	513
Administrative expenses		15,270	745	16,015	17,630	(158)	17,472
Net impairment losses/(gains) on financial and contract assets		105	-	105	(164)	-	(164)
Impairment of assets		-	46	46	-	454	454
Other losses/(gains)		430	-	430	(112)	-	(112)
Total operating costs		**35,276**	**791**	**36,067**	**35,003**	**296**	**35,299**

19 EXPENSES BY NATURE (continued)

REMUNERATION TO GROUP EXTERNAL AUDITOR

During the year the Group obtained the following services from the Group's auditors:

Company	2023	2022
Fees payable to the entity's statutory auditors in respect of:		
(a) the audit of entity financial statements	12	12
(b) other assurance services	593	480
(c) other non-audit services	-	-
Audit fees	**605**	**492**

Group	2023	2022
Fees payable to the entity's statutory auditors in respect of:		
(a) the audit of group financial statements	593	480
(b) other assurance services	12	12
(c) other non-audit services	-	-
Audit fees	**605**	**492**

(1) Contracting costs incurred in 2023 are net of discounts of $nil (2022 - $1.5m).

20 EMPLOYEE BENEFIT EXPENSE

	Group 2023	Company 2023	Group 2022	Company 2022
	US$'000	US$'000	US$'000	US$'000
Wages and salaries	15,712	-	14,898	-
Severance pay cost	393	-	-	-
Social security costs	1,610	-	1,501	-
Pension costs – defined contribution schemes	723	-	673	-
Employee benefit expense before capitalisation	**18,438**	-	**17,072**	-
Capitalised labour	(515)	-	(581)	-
Employee benefit expense after capitalisation	**17,923**	-	**16,491**	-
Share Based Payments	671	-	1,188	-
Employee benefit expense - net of capitalisation	**18,594**	-	**17,679**	-
Total employee expense before capitalisation	19,109	-	18,260	-
Capitalisation	(515)	-	(581)	-
Amount charged to Profit or Loss	**18,594**	-	**17,679**	-

20 EMPLOYEE BENEFIT EXPENSE (continued)

The average number of persons employed by the Group (including Executive Directors) during the year analysed by category was as follows:

	Group 2023	Company 2023	Group 2022	Company 2022
Product development and delivery	130	-	112	-
Sales and marketing	8	-	8	-
Administration	29	-	35	-
Total	**167**	-	**155**	-

The total number of persons employed by the Group (including Executive Directors) at 31 December 2023 was 159 (2022: 161).

No staff were employed by the PLC Company at 31 December 2023 and 2022.

The Group operates a number of defined contribution pension schemes in which the majority of Group employees participate. The assets of these schemes are held separately from those of the Group in independently administrated funds. The pension charge represents contributions payable by the Group to the schemes and amounted to US$0.7m in respect of 2023 (2022: US$0.7m), of which US$0.1m was accrued at the year-end (2022: US$0.1m).

The following tables break down the aggregate amounts paid to and receivable by Directors (both Executive and Non-Executive) during the financial years for 2023 and 2022. There were no amounts payable for loss of office during 2023 (2022: nil).

	Group 2023	Company 2023	Group 2022	Company 2022
Salary	924	-	987	-
Pension contributions	33	-	28	-
Signing bonus	239	-	-	-
LTIP awards granted	967	-	-	-
Gains on options	-	-	120	-
Other benefits	13	-	-	-
Total	**2,176**	-	**1,135**	-

The below table breaks down the aggregate contributions paid, treated as paid, or payable during the financial year to a retirement benefit scheme in respect of qualifying services of Directors.

	Number of Directors 2023	US$'000 2023	Number of Directors 2022	US$'000 2022
Defined contribution schemes	2	33	1	28
Defined benefit schemes	-	-	-	-
Total	**2**	**33**	**1**	**28**

21 OTHER INCOME

This note details other sources of income to the business excluding the primary revenue streams.

	Group 2023	Group 2022
	US$'000	US$'000
Customer recharges	-	278
Sublease income	235	228
Subsidy received	-	219
Other income	2	-
Total	**237**	**725**

Customer recharges primarily consists of customer recharges for content provider costs incurred.

Subsidy received relates to the Employment Wage Subsidy Scheme and PRSI credits granted as part of the economy wide enterprise support to employers during the COVID-19 pandemic.

Sublease income relates to an office property which has been subleased by a subsidiary during the year.

22 OTHER GAINS & LOSSES

	Group 2023 Before exceptional items	Group 2023 Exceptional items (Note 23)	Group 2023 After exceptional items	Group 2022 Before exceptional items	Group 2022 Exceptional items (Note 23)	Group 2022 After exceptional items
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Net foreign exchange (losses)/gains	(430)	-	(430)	112	-	112
Total	(430)	-	(430)	112	-	112

23 EXCEPTIONAL ITEMS

This note details the items identified as exceptional during the year. Exceptional items are items that have a significant effect on the Group's results for the year.

The following costs and expenses have been treated as exceptional items in the consolidated statement of profit or loss:

	Group 2023	Group 2022
	US$'000	US$'000
Professional fees in relation to investigations, business transformation programme and litigation procedures	453	249
Release of provision for costs associated with complying with regulatory investigations	(35)	(412)
Provision for dilapidation costs associated with the Termination of Dublin office lease	-	5
Deferred fulfillment costs impairment	-	454
Severance pay costs	327	-
Impairment of non-current assets	46	-
Total	**791**	**296**

Exceptional items:

Professional fees in relation to investigations, business transformation programme and litigation procedures

During 2023 the Group incurred additional professional fees relating to previously disclosed exceptional items. The costs incurred in 2023 primarily relate to professional legal fees relating to the ongoing Lufthansa and Swiss Airlines contractual dispute and work regarding severance pay.

Regulatory investigation provision release

"The Group historically recognised a provision which relates to legal and compliance costs of ongoing regulatory investigations and the necessary requirements to obtain an end to the suspension order on the trading of the Group's shares on the Euronext Dublin exchange. The regulatory investigation and suspension of trading of the Group's shares arose following the significant breakdown in internal financial controls as disclosed in the 2018 Annual Report. The movement in 2023 relates to release upon review of the provision assumptions by management (2022: movement relates to the release of those parts of the provision no longer required since the Company's relisting on the Euronext Growth Dublin exchange, the discharge of associate costs and a release upon review of the provision assumptions by management). "

Provision for dilapidation costs associated with the Termination of Dublin office lease

In accordance with the contractual obligations of the Datalex Ireland Limited lease agreement a dilapidations provision (US$5k) was recognised at 31 December 2022 to cover costs required to satisfy the terms of the full repair lease.

Deferred fulfillment costs impairment

During 2022, a customer contract, for which fulfilment costs has been deferred, was amended. As a result previously planned releases and capabilities that were part of the initial contract were no longer applicable under the delivery plan for the amended contract. The impairment amount of US$0.45 represents costs incurred which had been deferred on these releases and capabilities prior to the contract being amended.

Severance pay

During 2023 the company implemented a cost savings project across the business which resulted in a number of positions becoming redundant. The associated redundancy & severance pay has been classified as exceptional given that it is a non-recurring material balance.

Impairment of non-current assets

During 2023, the group identified intangible assets which were impaired. This amount of US$46k (2022: US$nil) represents the costs associated with this impairment.

24 FINANCE COSTS

This note details the expense incurred on our financial liabilities.

	Group 2023	Group 2022
	US$'000	US$'000
Shareholder's loan interest & amortisation	(1,882)	(173)
Interest on lease liabilities	(146)	(141)
Other interest net	(15)	(53)
Net finance cost	**(2,043)**	**(367)**

25 EARNINGS PER SHARE

Earnings per share (EPS) is the amount of post tax results attributable to each ordinary share. Basic EPS is the amount of result for the year divided by the weighted average number of shares in issue during the year. Diluted EPS shows what the impact would be if all outstanding and exercisable options were exercised and treated as ordinary shares at year end.

Basic	Group 2023	Group 2022
Loss attributable to ordinary shareholders (US$'000)	(9,020)	(11,464)
Weighted average number of ordinary shares outstanding	132,679,855	132,502,847
Basic loss per share (in US cents)	(6.80)	(8.65)

Basic earnings per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/ issued by the Company and held as treasury shares.

Diluted	Group 2023	Group 2022
Loss attributable to ordinary shareholders (US$'000)	(9,020)	(11,464)
Weighted average number of ordinary shares outstanding	132,679,855	132,502,847
Adjustment for share options and share awards	-	-
Weighted average number of ordinary shares outstanding	132,679,855	132,502,847
Diluted loss per share (in US cents)	**(6.80)**	**(8.65)**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The categories of dilutive potential ordinary shares of the Group are employee share options, being the 2012 employee share option schemes, 2020 long-term incentive plan, and save-as-you-earn scheme described in Note 12. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of subscription rights attached to outstanding share options.

No share options have been included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 31 December 2023 due to the loss recorded by the Group. The share options could potentially dilute basic earnings per share in the future.

26 CASH USED IN OPERATIONS

This note reconciles how the Group and Company's loss for the year translates into cash flows (used in)/generated by operating activities.

	Group		Company	
	2023	2022	2023	2022
	US$'000	US$'000	US$'000	US$'000
Loss before income tax	(8,988)	(11,404)	(11,437)	(6,595)
Adjustments for:				
Finance costs	2,043	367	1,882	129
Depreciation - PP&E	115	143	-	-
Depreciation - Right of Use Assets	387	602	-	-
Amortisation - development costs	1,824	1,184	-	-
Amortisation - software	126		-	-
Amortisation - deferred fulfilment costs	131	2,282	-	-
Net impairment losses on financial and contract assets	105	-	8,723	7,922
Impairment of non-current assets	46	454	-	-
Share Based Payments	671	1,188	671	-
Exchange translation adjustment	377	55	480	369
Loss on disposal of fixed assets	3	31	-	-
Non-cash management charges	-	-	(888)	(1,900)
Changes in working capital:				
Trade and other receivables	(4,093)	2,173	811	88
Contract assets	(1,181)	(410)	-	-
Contract acquisition costs	(187)	(133)	-	-
Trade and other payables	(391)	2,886	120	124
Contract liabilities	2,155	(2,157)	-	-
Provisions	(93)	(735)	(69)	(476)
Net cash (outflow)/inflow from operations	**(6,950)**	**(3,474)**	**293**	**(339)**

27 DIVIDENDS PAID

Dividends represent one type of shareholder return and are paid as an amount per ordinary shares held. There was no dividend paid in 2023 (2022: Nil).

The Board of Directors of the Company are not proposing that a final dividend be paid to shareholders in respect of the year ended 31 December 2023 (2022: Nil).

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

28 INVESTMENTS IN SUBSIDIARIES

This note details the Company's principal subsidiary undertakings as well as the carrying value of these subsidiary undertakings.

Company	2023	2022
	US$'000	US$'000
At beginning of year	-	-
Share-based payments cost	671	1,188
Impairment provision	(671)	(1,188)
At end of year	-	-

At 31 December 2023, no impairment reversal indicators existed which would have indicated that the previously recorded impairment on investments in subsidiary undertakings should be reviewed.

The Company has investments in the following subsidiary undertakings:

Company Name	Ordinary Shareholding	Nature of Activity	Registered Office
Datalex (Ireland) Limited	100%	Development and sale of computer software, delivery of professional services and hosting	Marina House, Block V, EastPoint, Dublin, D03 AX24, Ireland
Datalex USA, Inc.	100%	Delivery of professional services and hosting	C/O Spaces, 132 West 31st Street, 9th floor, New York, NY 10001, USA
Datalex Netherlands B.V.	100%	TPF consulting	Herikerbergweg 238, 1101CM, Amsterdam, The Netherlands
Datalex Solutions (UK) Limited	100%	Delivery of professional services	4th Floor, 55 Spring Gardens, Manchester, M2 1EN, UK
Datalex Tokenization, Inc.	100%	Provision of online payment processing connectivity in line with PCI compliance	132 W 31st St, 9th Floor, New York, NY, 10001, United States
Datalex Holdings Limited	100%	Holding company	Marina House, Block V, EastPoint, Dublin, D03 AX24, Ireland
Datalex (China) Limited	100%	Development and sale of computer software	Room 332, 3F Hyundai Motor Tower-38 Xiaoyun Road, Chaoyang District, Beijing 100027, P.R. China

29 RELATED PARTY TRANSACTIONS

The Group's principal related parties are the Group's subsidiaries and key management personnel of the Group.

The following transactions were entered with related parties during the year:

KEY MANAGEMENT PERSONNEL

Key management personnel include the three Executive Directors who held office during the year (2022: two Executive Directors), the five Non-Executive Directors (2022: five Non-Executive Directors) and 7 members of the senior management team (2022: 8 members)

The remuneration of and transactions with all Directors under the Companies Act 2014 have been disclosed in the Remuneration Report.

	2023	2022
	US$'000	US$'000
Short term employee benefits[(1)]	2,780	2,610
Share-based payment charge [(2)]	380	747
Termination benefits	-	-
Retirement benefits expense [(3)]	118	106
Charged to operating profit	3,278	3,463

(1) Balance is made up of salaries, Directors' fees, and other short-term employee benefits.
(2) The benefits included in this category relate to Long Term Incentive Plans scheme as described in Notes 12.
(3) Retirement benefits are accruing to two Executive Directors and 6 senior management team members (2022: two Executive Directors and 8 members of the senior management team) under a defined contribution scheme.

Peter Lennon, a Non-Executive Director, is employed by Ronan Daly Jermyn, a law firm. US$33k (2022: US$nil) in expenses were incurred by the Group with Ronan Daly Jermyn during 2023. US$33k was payable to Ronan Daly Jermyn at 31 December 2023 (2022: US$nil).

Non-Executive Directors' fees of US$nil (2022: US$nil) were accrued at the year end.

The remuneration of and transactions with all Non-Executive Directors is as follows:

	2023	2022
	US$'000	US$'000
Basic salaries and fees	323	316

COMPANY

At 31 December 2023, the Company had a balance of US$nil (2022: US$nil) due to it from other Group companies.

Amounts owed by Group undertakings are interest free, unsecured and are repayable on demand. In the previous years the Board reviewed these amounts for impairment. Following these reviews, an allowance for impairment was deemed necessary on the balances due from other Group companies as at 31 December 2023, given uncertainties as to future recoverability of these amounts and in light of the significant losses and cash outflows in these other Group companies.

Notes to the Financial Statements

for the year ended 31 December 2023 (continued)

29 RELATED PARTY TRANSACTIONS (continued)

During 2023, management considered the external and internal sources of information that may indicate that the impairment loss recognised in the prior year may no longer exist or may have decreased. The external indicators considered include whether there has been a significant favourable changes in the asset's value and market conditions. The internal indicators considered include whether there has been any significant favourable changes in the asset's use and performance. As a result of the review of the external and internal indicators, it was deemed appropriate not to reverse any of the previously recorded impairment.

In 2018, the dividend of US$4.0m paid by Datalex Ireland to Datalex plc was an unlawful distribution in contravention of the provisions of Section 117 of the Companies Act 2014. Accordingly, an intercompany payable to Datalex Ireland was recognised for US$4.0m in the Financial Statements of Datalex plc. The amount remains outstanding at the 31 December 2023.

Transactions with Tireragh Limited and IIU Nominees Limited:
The Group entered into a secured loan facility agreement with Tireragh Limited, a related party ultimately beneficially owned by Mr. Dermot Desmond in 2019. Please refer to Note 14 for a more detailed summary of the of the loan facility agreement. IIU Nominees Limited, also a related party ultimately beneficially owned by Mr. Dermot Desmond is a substantial shareholder of the Group, with 40.32% shareholding as at the 31 December 2023.

30 LITIGATION AND DISPUTES

On 4 September 2019, Datalex (Ireland) Limited, a subsidiary of the Company, received a termination notice from Lufthansa AG ("Lufthansa") in respect of its master services agreement with Lufthansa (the "Lufthansa Agreement"). The Group disputes the legality of this notice and commenced proceedings against Lufthansa in Landgericht Frankfurt (Regional Court of Frankfurt) to achieve resolution of the matter and to recover amounts due under the Lufthansa Agreement and general business damages. On 1 July 2021 Datalex confirmed that it had received notice from Lufthansa that Lufthansa had, as a counterclaim to Datalex (Ireland) Limited's pending claim in the Regional Court of Frankfurt against Lufthansa, commenced legal proceedings against Datalex (Ireland) Limited claiming damages of approximately €9.7 million and requesting a declaratory judgement for potential further damages. Datalex has also notified Lufthansa of its intention to assert claims for further damages against Lufthansa. In its counterclaim, Lufthansa alleges breach of the Lufthansa Agreement and claims damages, return of remuneration paid to Datalex under the Lufthansa Agreement and expenses. Datalex is in the process of vigorously defending these claims. Datalex rejects the allegation that it breached its obligations under the Lufthansa Agreement, disputes the legality of the termination notice and is fully pursing the outstanding amounts it believes that the Group is entitled to recover from Lufthansa under the Lufthansa Agreement.

On 31 December 2023, the invoiced balances due by Lufthansa and Swiss International Airlines Limited amounted to US$3.4m (2022: US$3.8m). As previously disclosed, in 2019 the Group prudently recorded a 100% expected credit loss which is still retained in its 2023 Financial Statements against the full value of invoiced amounts. Separately, Datalex initiated arbitration proceedings on 5 March 2020 before the International Court of Arbitration of the International Chamber of Commerce (the "Court") seated in London to recover amounts owed to the Group by Lufthansa in connection with services provided to Lufthansa's subsidiary, Swiss International Airlines Limited. On 29 September 2021, Datalex announced that the Court appointed Sole Arbitrator ruled in favour of Datalex, finding that: (i) Lufthansa must pay Datalex €823,000 plus interest; (ii) Lufthansa must bear its own legal costs and reimburse a portion of Datalex's costs; and (iii) Lufthansa must reimburse Datalex for 50% of its contribution towards the ICC's expenses. Datalex is presently pursuing payment of the amounts owed on foot of this award.

31 FINANCIAL RISK MANAGEMENT

This note details the Group's treasury management and financial risk management objectives and policies. Information is also provided regarding the Group's exposure and sensitivity to market rate risk, foreign exchange risk, interest rate risk, price risk, credit risk, liquidity risk, capital risk, cash flow risk and the policies in place to monitor and manage these risks.

FINANCIAL RISK MANAGEMENT

The Group and Company's operations expose it to a variety of financial risks including interest rate, foreign exchange, credit and liquidity risk. The Group has in place a risk management programme that seeks to manage the financial exposure of the Group. The Group may and has used derivative financial instruments to manage certain risk exposures but has not done so in either 2023 or 2022. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies are set by the Board of Directors and are implemented by the Group's finance department

MARKET RATE RISK

Market rate risk refers to the exposure of the Group's financial position to movements in interest rates, currency rates and general price risk. The principal aim of managing currency risk is to limit the adverse impact of movement in currency rates on shareholders' equity. The Group has limited exposure to interest rate and price risk

(I) FOREIGN EXCHANGE RISK

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures in the normal course of business and primarily with respect to the euro, pound sterling, Swedish krona and Chinese renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The main exposure at 31 December 2023 relates to euro monetary assets and debtors totalling US$6.6m (2022:US$5.7m) and pound sterling monetary asset and debtors totalling US$3.3m (2022: US$0.5m).

The Group's main current strategy to manage the foreign exchange risk is, where possible, to match customer contracts with related contractor and employee costs in the same currency. The Group also has bank accounts denominated in its various operating currencies which allow it to maintain available funds in different currencies as a means of minimising the impact of foreign exchange volatility on its operations.

To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group may avail of forward contracts and has facilities available with its bank. Forward contracts are generally used when it is deemed that there is a potential volatility risk which may negatively impact the certainty in respect of euro and pound sterling based operating costs. Given the profile of the overseas operations and the customer base, foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the US dollar. There were no forward foreign exchange contracts in place as at 31 December 2023 or 2022.

At 31 December 2023, The movement of the Euro and Pound Sterling against the US dollar with all other variables held constant, the impact on post-tax loss for the year would have been:

Euro and Pound Sterling movement against US Dollar	10% USD '000's	7.50% USD '000's	5% USD '000's	2.50% USD '000's
2023 Impact on results	676	507	338	169
2022 Impact on results	272	204	136	68

Foreign currency rate to US Dollar	Year-end		Average	
	2023	**2022**	**2023**	**2022**
Euro	1.1050	1.0666	1.0826	1.0510
Pound Sterling	1.2715	1.2026	1.2461	1.2256

A strengthening in the Euro and Pound Sterling would have resulted in reduced loss being recorded, whereas a weakening would have resulted in an increase in the loss recorded. The movement is mainly as a result of foreign exchange gains on translation of Euro and Pound Sterling denominated cash and cash equivalents, trade receivables, trade payables, and borrowings.

31 FINANCIAL RISK MANAGEMENT (continued)

(II) INTEREST RATE RISK

The principal aim of managing interest rate risk is to limit the adverse impact on cash flows and shareholders' equity of movements in interest rates. Cash and cash equivalents at variable rates expose the Group to cash flow interest rate risk. Cash and cash equivalents at a fixed rate expose the Group to fair value interest rate risk. The Group's treasury policy is designed to monitor the funding requirements of the business. Cash requirements are managed centrally and reviewed daily. Excess funds are placed on deposits which typically have a maturity of less than three months. The term of deposit is based on the interest rate offered and cash forecasts as the Group ensures that sufficient cash is available on demand to meet expected operational requirements. The interest rate on floating rate deposits (with maturities less than 90 days) of US$0.01m at 31 December 2023 (2022: US$0.4m) is generally based on the appropriate Euribor or SONIA rate. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Interest rate sensitivity analysis

At 31 December 2023, based on the value of interest-bearing cash balances held at that date, if interest rates had been 100 basis points higher/ lower and all other variables were held constant, the Group loss after tax for the year would not have been materially impacted (2022: Group loss after tax for the year would not have been materially impacted).

(III) PRICE RISK

The Group is not exposed to material price risk.

CREDIT RISK

Credit is managed on a Group basis. Credit risk arises from cash and cash equivalents, short-term investments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding trade receivables, contract assets committed transactions. The Group treasury policy is designed to limit exposure with any one institution and to invest its excess cash in low risk investment accounts with authorised banking counterparties. The Group has not experienced any losses on such accounts.

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made and monitors the exposure to potential credit loss on a regular basis. The utilisation of credit limits is regularly monitored. During the year ended 31 December 2023 a significant portion of the Group's revenue was derived from a limited number of customers (see Note 18).

The credit quality of cash and cash equivalents can be assessed by reference to long term S&P credit ratings of the counterparties in the following tables:

Cash and cash equivalents	Group 2023	Group 2022
	US$'000	US$'000
A+	151	-
A	655	1,035
A-	-	475
BBB	4,968	-
BBB-	-	5,026
	5,774	**6,536**

Cash and cash equivalents are held at amortised cost. The expected credit losses on these balances are immaterial.

31 FINANCIAL RISK MANAGEMENT (continued)

Trade payables and borrowings (including interest)

Group	Less than 1 Yr	Between 1-2 Yrs	Between 2-5 Yrs	Over 5 Yrs	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
At 31 December 2023	23,030	1,178	2,923	2,268	29,400
At 31 December 2022	12,327	282	6,246	-	18,855

CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The capital comprises mainly of issued capital, reserves and retained earnings as set out in the Consolidated Statement of Changes in Equity.

CASH FLOW RISK

The Group's income and operating cash flows are substantially independent of changes in market interest rates

32 SUBSEQUENT EVENTS

During the first quarter of 2024, management initiated a full review of the cost base and operating model. In April 2024, management implemented a restructuring programme to address key areas identified in order to streamline and optimise Group's operations and enhance operating efficiencies.

On 22 April 2024, Steven Moloney joined the Group as Chief Financial Officer, and as a member with the Board of Directors effective on the same date.

In 2023, we signed an agreement with LATAM Airlines in 2023. Although the project achieved its primary endpoints, in 2024 it was agreed that this solution will not be part of LATAM Airlines' or Datalex's short term priorities and will not proceed. We derived significant value and insight from this project and will continue to invest in co-innovation projects with airlines, where we see strategic areas of opportunity and a joint return on investment.

Notes to the Financial Statements
for the year ended 31 December 2023 (continued)

33 CONTINGENCIES

The Group and Parent Company are subject to a number of regulatory investigations including the facts and circumstances of the historic events that gave rise to an illegal intercompany dividend, retracted market guidance and refiling of the 2018 half year Financial Statements amongst other items. Whilst the Group has provided for the estimate of the direct costs that will be incurred to support these regulatory investigations, no provision has been recorded for any fines that may be levied on the Group. Any fines that may arise are uncertain and are dependent on uncertain future events, i.e. the outcome and conclusions reached by the regulatory authorities. The Directors are therefore unable to determine with reasonable certainty an amount of potential fines. Additionally, the Directors are not certain as to when the regulatory bodies will likely conclude their reviews.

34 GUARANTEES

Pursuant to the provisions of Section 357 of the Companies Act 2014, the Company has irrevocably guaranteed the liabilities of its directly and indirectly wholly owned subsidiary undertakings in the Republic of Ireland (as listed below) for the year ended 31 December 2023. As a result, such subsidiary undertakings have been exempted from the filing provisions of Section 347 of the Companies Act 2014.

Datalex (Ireland) Limited
Datalex Holdings Limited

Contacts & Other Information

Directors

David Hargaden
(Non-Executive Chairman)

Jonathan Rockett
(Chief Executive Officer)

Steven Moloney
(Chief Financial Officer)

John Bateson
(Non-Executive Director)

Gillian French
(Independent Non-Executive Director)

Peter Lennon
(Non-Executive Director)

Mike McGearty
(Lead Independent Non-Executive Director)

Company Secretary

Neil McLoughlin

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Independent Auditor

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Shareholder's Enquiries

All administrative enquiries relating to shareholdings (for example, notification of change of address, loss of share certificates, dividend payments) should be addressed to the Company's registrars:

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Broker

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