Datalex

Annual Report 2022

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 primarily in the UK, the Americas, the Philippines, Australia 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 sets 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Datalex is for airlines that don't want to stand still with legacy systems and an out-of-date retail experience that falls short of customer expectations. Our expertise in and vision for truly modern digital retailing is now more important than ever before. Our investment in SaaS, AI and automation is helping to accelerate airlines' digital transformation journeys.

What we do

Datalex is transforming the travel experience and driving airlines' future growth by:

- Digitalising the end-to-end travel experience on every device, across every distribution channel and at every touchpoint in the customer journey.
- Providing airlines with advanced retailing products to increase revenue and profit as digital retailers.
- Partnering with airlines to create differentiation and leadership in the digital retail space.
- Accelerating airlines on their path to true customer centric retailing.
- Enabling increased monetisation of airline products and services.

Our customers

Aer Lingus

Air China

Air Transat

Edelweiss

easyJet

JetBlue Airways

KLM

Trailfinders

Turkish Airlines

Urumqi Air

Virgin Australia

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***

* New Product Launched in May 2022

Our strategy

Our strategy is to drive accelerated and sustainable growth by creating market leading retailing products that enables airlines to grow revenue and profit as digital retailers.

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

Chairman's Statement

Having endured the harsh realities of the Covid pandemic during 2020 and 2021, Datalex entered 2022 cautiously optimistic for the year ahead.

We closed out a difficult 2021 on a very positive note with the signing of a contract with Virgin Australia to support their technology roadmap, a contract of huge significance, with the airline signing on to take four Datalex products: Datalex Direct, Datalex NDC, Datalex Merchandiser and Datalex Dynamic - as well as the Digital Configurator. This announcement showcased our differentiated digital and retailing technology offering which is progressing well.

We have continued to enhance and promote our product offerings in 2022 with a key strategic milestone achievement being the signing of a contract with easyJet, one of the world's leading low-cost airlines. The formation of this strong partnership will allow Datalex to drive forward easyJet's strong digital retail strategy, something we are very proud to be part of.

easyJet also opted for four Datalex products to provide the airline with greater agility across its digital channels where it can deliver a superior experience and value to its customers. This was another key indication of the appetite for digital transformation and validation of the Datalex proposition in-market.

Datalex also launched the Pricing AI product to the market in the course of 2022, underlining our core philosophy that an enduring emphasis on product development is the pathway to sustainable growth and profitability.

However, while aviation opened up across the globe throughout 2022, China continued to impose one of the toughest zero-Covid regimes in the world, which offset some of the more positive dynamics in the business.

As we predicted however in our market update in November 2022, the aviation horizon is showing positive indications with a gradual return to travel in China, where life is beginning to return to normal with no travel restrictions or quarantine measures for arrivals currently in place. We look forward with renewed confidence to stability and steady revenue flows from the market in China in 2023.

Overall 2022 saw promising recovery across the industry and increases in demand for travel. Aviation continues to face challenges as an unprecedented scaling up in operations has impacted airlines across the globe to meet this return of demand. Datalex is working in close partnership with the sector to offer new and better ways to grow their direct traffic and drive ancillary revenue as it fully emerges from its greatest-ever crisis.

The portents are now strong for the aviation industry to consign the coronavirus years to history and to invest for growth. Datalex is well positioned to maximise on this more positive outlook as we continue to innovate our product suite, speak to potential new customers and work tirelessly to maintain the excellent relationships we enjoy with our existing customer base.

2022 Performance

The business impact of adverse conditions in the Chinese market continued in 2022. We expect we will begin to move beyond these challenges in 2023 as airlines return to more steady-state operations post-Covid. In China we are seeing positive market indications pointing to a steady recovery as monthly transaction volumes are trending upwards in 2023 to date. These trends are also in line with indications of a wider regional recovery. The negative impact in this region in 2022 will now positively contribute to growth in 2023.

As well as growing new business opportunities, 2022 was a signal year for customer retention and renewals which saw Datalex continuing to successfully service our existing customer base and grow relationships with additional products from the Datalex suite. Disappointingly, in February 2023, one customer ceased its relationship with Datalex as part of their Chapter 11 restructuring process in the USA.

Group Funding and Outlook

As recently announced to the market, the Board is actively pursuing further fundraising strategies and options to ensure both the repayment of the Group's existing loan facility and certainty of the working capital needs of the Group in the medium term. In this regard, the Board has engaged financial advisors to assist with securing a successful fundraising outcome. This would allow the Group to invest in delivering upon existing customer needs and allows the Group to competitively compete for new business.

The revenue outlook is also a positive story with increased revenue under contract following the successful retention of the existing customer base and the addition of a number of new business opportunities.

Our business is in a multi-year transition; we have made progress on our past difficulties, but it will take time before this is fully reflected in our financial performance. I am proud of the progress which is being made at implementing stringent financial and regulatory reporting processes and I believe that these procedures will stand to Datalex as it strives for further success.

Datalex is a software Company focused on transforming airline retail, which means the impact of the pandemic on airlines has affected our ability to fully achieve the Datalex growth plan. With equilibrium returning to the sector, there is prospect for the growth pathway to resume its upward trajectory.

We are constantly addressing our customers' needs offering unique products that enable airlines to drive revenue and profit as digital retailers. As a market leader in airline retail technology, the Company has a strong track record of delivering digital retail transformation for progressive airline brands worldwide.

Board and Corporate Governance

We continue to fortify our Board with the expertise and experience required to enhance strategy and provide oversight for the Company. A process is underway to ensure the Board composition reflects the requirements of the Company.

2022 was a year which saw us significantly strengthen our talent base, by making strategic additions to our leadership team to drive progress. We are committed to ensuring that diversity and inclusion is more than simply a policy observed at Board level, but an integral part of our culture throughout the business and we are striving to make that a reality.

While we were not required to issue a gender pay gap report this year, it is something we are looking forward to publishing in 2023, telling the story of our commitment to the concept and the rewards that flow from diversity in the workforce. We aim to foster a supportive and inclusive workplace culture and are actively exploring ways to improve this.

As well as growing new business opportunities, 2022 was a signal year for customer retention which saw Datalex continuing to successfully service our existing customer base and grow relationships with additional products from the Datalex suite.

As a market leader in airline retail technology, the Company has a strong track record of delivering digital retail transformation for progressive airline brands worldwide.

ESG

The climate crisis, coupled with the rise of widespread societal challenges, has brought sustainability 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 sustainability issues.

As an independent tech business, we have a small environmental footprint; however, 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.

Datalex does not yet have an ESG strategy. It does however have a business strategy designed to be economically, environmentally, and socially sustainable. The Board has begun to evaluate the impact of the European Corporate Sustainability Reporting Directive (CSRD) and the first batch of European sustainability reporting standards (ESRS), which take effect from 1 January 2024. The Board is aware that significant work will be required to comply with the new disclosure requirements, we look forward to the greater clarity and structure it will bring.

Beyond the environment, we are committed to acting responsibly and with integrity in all that we do. Additionally, as a publicly listed business, we hold ourselves to the highest standards of corporate governance and comply with all relevant regulations. We are taking strides to enhance our approach to sustainability and look forward to updating the market on our progress later this year.

Strong position for future profitable growth

Throughout the pandemic in 2020 and 2021, Datalex continued to invest in product development. Our confidence in our technology and our understanding of our customers' needs to maximise on ancillary revenue opportunities as part of their recovery drove this focus and investment.

Despite the dissapointment of loosing a customer in February 2023, the renewal of contracts since year end with three key customers in addition to signing new customers over the past two years clearly illustrates the standard of our client offerings. Their confidence in Datalex affirms the strength of our service delivery and our reputation as an innovative partner, with future-focused products, that will support long-term digital retail growth for airlines.

In short, the investment throughout 2022 will greatly assist in continuing to grow the business pipeline and developing new products. We are therefore confident it will drive material benefits to Datalex in the long-term.

Looking Ahead

Datalex has a track record of responding to and adapting to new and unforeseen circumstances.

After a difficult year where legacy effects of Covid-19 had an unanticipated impact on the business, we are firmly putting the pandemic behind us and look forward to a more positive environment for the Group for the remainder of 2023.

Along with my colleagues on the Board, I would like to thank the entire Datalex team, led by Sean Corkery, CEO, and his Executive team, for their contribution in 2022. I would like to thank our customers for their loyalty and support, and, on behalf of the Board, I would like to thank you, our shareholders. We look forward to building on the progress achieved in 2022 to drive sustainable growth in the future.

David Hargaden
Chairman
Datalex

– 04 May 2023

Chief Executive Officer's Review

Over the course of 2020 and 2021, our business, like many others in the travel industry, dealt with the extraordinary unforeseen challenges brought by the Covid-19 pandemic.

As we entered 2022 with renewed optimism, unforeseen aftershocks as a result of Covid-19 defined the year: the delayed Omicron wave hit China in Q1 and China's zero-Covid policy suppressed demand, continuing right up to January 2023. As a result, the recovery expected in the Chinese market in the second half of 2022 did not materialise, thus revenue derived from China has been heavily impacted in the past year.

Outside of Asia, airlines had other issues to contend with as operational and capacity-related issues plagued airlines in Q1 and Q2 as they ramped back up to accommodate increased demand. This meant that our services business to airlines was impacted due to airlines prioritising operational ramp-up projects to address labour shortages, capacity challenges and airport delays.

In summary, 2022 was a disappointing year where revenue declined due to the issues in China, service business reduction and the lack of transaction-based customers pending new agreements. However, we see this as just a lagging consequence of Covid's decline against the backdrop of an industry recovering to 80% of 2019 traffic. We will see growth in 2023 relative to last year but continuing to lag the industry with parity and overweighting occurring in 2024 and beyond. Our current activity in new customer activations and our sales conversion pipeline supports this recovery and growth hypothesis.

A positive outcome of the initial setbacks was that airlines are even more cognisant of the importance of ancillary revenue streams for their business model and showed increased interest in enhancing their digital retailing offers for a more seamless online traveller experience. This is the core of our business and indeed three of our key customers engaged additional Datalex solutions in 2022 as part of their digital transformation strategies. This is testaments to the standard of our customer offerings and our reputation as an innovative future-focused partner.

We were delighted to welcome easyJet, one of Europe's leading low-cost carriers, as a new customer in 2022. The partnership recognises Datalex's superior and innovative digital retailing capabilities for airlines and will enable easyJet to deliver new, revenue generating and differentiated customer experiences. Over the course of 2022 we also worked very closely with our new client Virgin Australia as part of their onboarding process and the implementation phase will continue this year with a formal launch expected in Q3.

Understanding our customers' needs and wants has always been at the core of what we do at Datalex. Our continued investment in people, technology and the development of new solutions means our business and market proposition changes with the environment and continues to remain relevant. This was reflected in our highest NPS (Net Promoter Score) on record with our customers and continued Great Place to Work certifications with our people, reiterating the anchor of both key stakeholders as our core strategy and modus operandi.

While 2022 brought a mix of both opportunities and challenges, we remain confident in the fact that aviation business is recovering and that digital solutions are paramount to that recovery. We are in a very strong and valued vertical in a recovering and growing industry.

Financial performance

While the full year financial performance shows a decline in revenue and EBITDA, which was a disappointing result given all the hard work and progress by the team, we believe that significant financial progress has been made within the Group during 2022. The reduction in year-on-year performance was largely driven by the continuing impact of Covid restrictions in China which remained in place up until January 2023, and the timing of specific services projects, which moved out into 2023.

The recent ending of our relationship with SAS, triggered by their Chapter 11 restructuring process in the US, is disappointing. But positively, the easyJet sign-up on 01 September 2022, is a strong affirmation of Datalex's product and competitive position and the positive momentum in sales activity which has been experienced across the Group in 2022 and is expected to continue in the months ahead. As ever, it will take time for this progress to be reflected in our financial performance.

Group costs have increased in the period due to investment in the onboarding of new customers and projects and in the further development of our product offering, a feature that is expected to continue.

Despite challenging macro-economic conditions in the year, careful cash management and proactive cash collection resulted in a solid year-end cash balance. At the time of publication of this annual report the Group has utilised the majority of its existing debt facility with Tireragh Limited. In order to repay the facility in a timely manner and secure the working capital needs of the Group in the medium term, the Board with the assistance of its financial advisors, are actively pursuing various fundraising options. It is the belief of the Board that a successful fundraise can be completed and it is the intention of the Board to execute this in due course. This will strengthen the Company's balance sheet and provide the Group with working capital to support the implementation of new revenue opportunities. Significant progress towards implementing stringent financial and regulatory reporting processes has been made in recent years thanks to the dedication of the Finance team lead by outgoing CFO Dan Creedon. These procedures now in place will stand to Datalex as it strives for further growth.

We exit 2022 with a strong pipeline of opportunities and are confident in improving financial performance in the medium term. The Group is committed to investing in new customer relationships and has several opportunities in the pipeline.

Strategy

As our existing customers continue to renew contracts and expand the range of Datalex products they deploy, giving a strong vote of confidence to their relationship with the Group, we are beginning to move all customers onto a standard commercial model of license fees and variable transaction fees rather than fixed fee contracts. Following on from 2021 when we developed our strategic plan to move towards steady and sustainable growth with a focus on gaining market share, we remain focused on retaining our customers; owning our space in the industry and winning new customers.

I am confident in Datalex's position as a market leader in airline retail technology, offering unique products that enable airlines to drive revenue and profit as digital retailers. As a Company we have a strong track record and legacy of delivering digital retail transformation for progressive airline brands worldwide and we continue to evolve our offerings to meet changing customer needs. Our easyJet win was a significant validation of our strategy in action with all flagship products being used.

Ongoing investment in our products has been critical to our growth focused strategy. The Board will consider the need to support this future growth, including the consideration of the capital required and sources of funding available to the Company.

Our product-first strategy and continuous investment in our platform is key to unlocking our growth potential and is central to our customer acquisition, retention, and development plan. We have identified key areas for strategic investment across our existing product portfolio and specifically in AI-powered pricing and dynamic offers and bundling. Looking further ahead we plan to support airlines in their transition away from legacy technology towards a unified offers and orders future. This is in line with the clear market appetite to gradually move towards more flexible technologies like what Datalex provides as our recent survey[1] results showed that 6 in 10 airline executives intend to start this transition to a one-order enabled technology solution in the next 1-2 years.

We continue to harness AI to enable airlines to transform how they do their business and price their flight inventory. Over the course of the year, we have seen greater acceptance of AI and its role in an airline, with AI now seen more of a collaborator rather than a complete replacement which sets us apart in the market. Datalex Pricing AI was launched in May 2022 and continues to open up a new target audience for Datalex. Our development and piloting of Datalex Pricing AI and proving out the business case benefit to airlines was significant. Furthermore, our accompanying market positioning of AI in enhancing Revenue Management rather than replacing it proved correct. In our recent survey of 150+ airline executives, almost 7 in 10 airline executives (69%) believe that AI-powered pricing should enhance current revenue management processes rather than being an outright substitute. The role of AI as being increasingly important was also seen with 93% of airline executives stating that AI-powered pricing has or should have a role in an airline.

Further detail on our strategy is outlined on page 20.

(1) The digital airline 2023 and its transformative retail priorities research commissioned by Datalex in November 2022 and published in January 2023. See detailed results at: https://content.datalex.com/the-digital-airline-2023-and-its-transformative-retail-priorities

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Products

Pricing AI trials & continued AI investment

The aftershocks of Covid-19 and the geopolitical crises that emerged in 2022 underscored the importance of AI in its ability to take real-time market conditions into account. The more changeable landscape has meant that airlines are in greater need of that minute-to-minute flexibility to react. For these reasons we continue to invest in AI and in particular in AI-powered pricing, which enables airlines to be more competitive, customer-centric and profitable with their pricing strategies.

In May 2022, our newest product Pricing AI was launched to the market. There was significant interest from several airlines, and we completed one trial with a Tier 1 airline in South America. Trial results have shown that airlines can increase revenue by approximately 2 – 4% in tested markets. The opportunity is significant and Datalex is perfectly positioned to capitalise on this particularly being at an early stage of market maturity.

Cloud technology

Another key element of Datalex's growth focused product strategy is our transition to the cloud and investment in SaaS (software as a service) based products to support our customers in their own adoption of cloud-based products and services. We have continued to invest in our SaaS portfolio of products. Our SaaS native product set positions us for continued growth and enables our airline customers to capitalise on the benefits that the cloud brings, such as faster time to market, smarter ways of working, ability to innovate nimbly and experiment at speed, as well as lower costs. 2023 will be an important growth phase for Datalex as we progress new customer implementations, continue projects with our existing customers and further build on current customer acquisition momentum.

Greater flexibility and real-time retail control with the Digital Configurator to address dynamic offer and dynamic bundling opportunities

We have furthered our investment in our unique Digital Configurator tool, which empowers airlines with real-time control to manage products and services with a faster market reaction time than ever before and is a key underlying component of the Datalex product suite. The Digital Configurator product developments enable airlines to capture untapped revenue that lies within dynamic offer and dynamic bundling. The tool has been further enhanced in 2022 to provide airlines with the ability to offer ancillary bundles quickly and effectively, in addition to enabling ease of use in adding multiple ancillary products. The former provides airlines with an avenue to bring more targeted ancillary bundles that are tailored and bespoke to market instantly, while the latter enables airlines to plug in additional ancillaries from third parties.

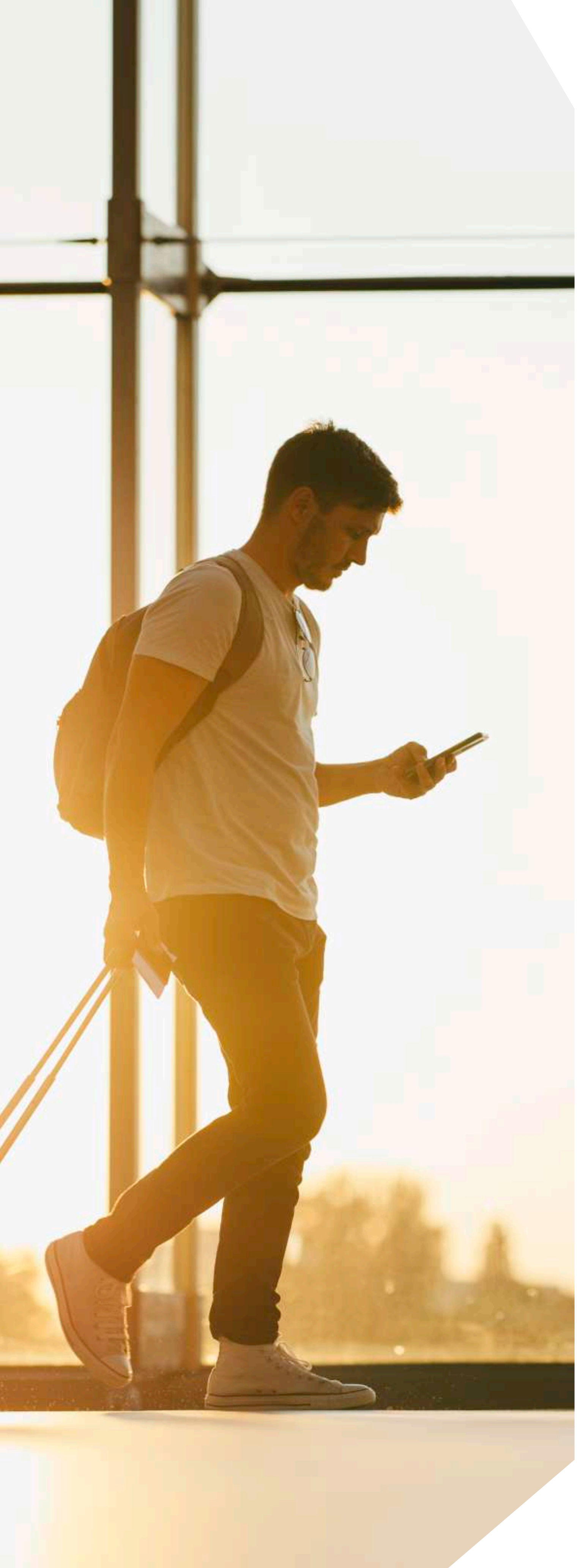
Supporting Our Customers

Investment in product implementation was a significant cost in 2022, but the successful progress of these projects, notably at Virgin Australia in the past year, bode well for future transaction revenue when the full solution goes live. Datalex has continued to see strong engagement with customers as they seek to accelerate their digital retail roadmap, which is providing a number of enhanced opportunities for the Company. However, partly as a consequence of planning for the delivery of such opportunities, services activity levels were lower than expected in Q3 2022 as certain projects moved out to 2023. This negatively impacted 2022 revenues but will positively contribute to growth in 2023.

Datalex's strong customer relationships are reflected in our customer satisfaction surveys, and continue to strengthen year on year, as seen in our highest NPS score on record since surveys began in 2014.

"Our SaaS native product set positions us for continued growth and enables our airline customers to capitalise on the benefits that the cloud brings, such as faster time to market, smarter ways of working, ability to innovate nimbly and experiment at speed, as well as lower costs."

— Sean Corkery, Chief Executive Officer, Datalex



People

At the core of Datalex are our people. Their commitment, adaptability, and passion for delivering best-in-class solutions for our customers are what allow us to stand out. This energy is noticeable throughout the business and has resulted in new partnerships, stronger client relationships and more opportunities into the future.

They remain our most important asset. We have a talented and dedicated team whom I would like to thank for their expertise and professionalism empowering our airline customers as they digitally transform and roll out best-in-class digital retail experiences.

We strengthened the organisation with a number of key hires across the Group during 2022 including Bryan Porter as Chief Revenue Officer and Brian Lewis as Chief Technology Officer. Both of these appointments strengthen our senior management team. We announced in February that Dan Creedon, Chief Financial Officer, intended to step down as a Director and CFO of the Company with effect from 30 June 2022. Dan has been a valued colleague and had a tremendous impact as CFO during an important phase in the Company's return to growth. I would like to take this opportunity to thank Dan for his contribution during his time at Datalex. Over the coming months, we will ensure a seamless and coordinated transition of his responsibilities.

Beyond senior management, overall headcount for the business increased by 13.5% YoY, with 49 new hires in 2022, showcasing our confidence in the Datalex business model. Furthermore, in 2022, Datalex was awarded the 'Great Place to Work®' and 'Best Workplaces in Tech™' certifications, reinforcing the strong culture we have cultivated.

"At the core of Datalex are our people. Their commitment, adaptability, and passion for delivering best-in-class solutions for our customers are what allow us to stand out."

Looking Ahead

In a changed post-Covid world, travellers expect their airlines to have changed too. Datalex commissioned important research in 2021 and again last year with over 150 senior level airline executives, and 10,000 airline customers to delve deeper into airlines and travellers' digital priorities. The research results supported key elements of our strategy already in action for the year ahead. The study was conducted in November 2022 by Censuswide - an independent, international research agency.

The survey found that airlines are determined to move away from legacy technology systems that constrain the digital experience for customers. Their key retail technology spending priorities for 2023 also include plans to increase investment in AI and to take greater control over distribution by investing more in NDC. We observed a significant frustration from airlines with regards to the inflexibility of the current PSS (Passenger Service Systems) they use, with over 9 in 10 (92%) of airlines believing their PSS is significantly or somewhat hampering the simplification of order management and ease of booking. This presents a significant opportunity for Datalex to drive this industry change and address what is clearly a blocker to transforming an airline's digital offering.

On the traveller side, the survey showed the retail modernisation that travellers are looking for includes greater product and payment choice, seamless booking and clarity with regards to price, offers and communications, and that they have a poor view of where airlines stand in the league table of online retail offerings. Additionally, travellers are seeking out clearly communicated and clearly priced offers and ancillaries to add to their flight bookings, with 70% of travellers more likely to purchase if several products are bundled together. The benefits of bundling are seen on the airline and the customer side, with bundling more appealing to customers as it makes their experience more seamless, and simultaneously airlines benefit from accessing a greater share of the customer's wallet. Our investment in dynamic offer and bundling therefore are strongly positioned to capitalise on this.

It's clear that 2023 represents a unique inflection point for the aviation industry, as it is purported to be the first 'normal' year post Covid. Within this renewed opportunity and environment, airlines can move from survival mode to now focusing on travel retailing optimisations. Our research clearly signals the need and urgency for increased digital investment, demonstrates a more progressive airline mindset poised for innovation and a traveller profile eagerly awaiting the retail modernisation coming down the line.

While short-term forecasting has continued to be difficult, we remain confident in the ability of our business to grow in the medium to long term. Airlines are focused on accelerating their digital offering. Datalex is very well placed to assist them and is doing so.

I am really encouraged by the strong engagement the team is having with current and prospective customers across the globe as we continue to execute on customer renewals and build on our robust pipeline of potential new customers. In addition, I am happy to report that the activation of our new customers, easyJet and Virgin Australia is progressing well. All of which we expect to result in meaningful revenue growth in 2023 and beyond.

Sean Corkery
Chief Executive Officer
Datalex

– 04 May 2023

Our Strategy

Driving accelerated and sustainable growth to create value for our customers, our people and our shareholders.

Our purpose is to transform airline retail.

Our strategy is to drive accelerated and sustainable growth by empowering airlines to deliver a differentiated retailing experience

This strategy is underpinned by five strategic pillars as outlined on pages 22-23.

We believe the market outlook post-Covid-19 has shifted in favour of flexible airline retailing solutions that provide airlines with more reactivity and control and we believe this will continue to grow over the next five years and beyond. Digital retail technology enables airlines to maximise revenue and increase the profitability of each passenger. It also enables airlines to improve the shopping and booking experience that airlines offer to their end customers, which builds brand and customer loyalty. We have seen clear signals from the market in recent months that airlines will prioritise digital retail investment and expect this momentum to continue.

Over the next 24 months, we believe airlines will have a strong business case to invest in the following areas of digital retail in particular:

› Investment in optimised offer management to offer more products, dynamically determined and tailored to the needs of their customers, to increase ancillary revenue and revenue per passenger. Datalex Direct, Datalex NDC, Datalex Dynamic and Datalex Merchandiser enable airlines to achieve this objective across all channels.

› Investment in airlines' direct and NDC channels - airlines want to own more of their distribution as it is more cost efficient, but it also allows airlines to drive increased revenue and to capture customer data and have more control over their customers' shopping and booking experience. Datalex's Direct and NDC products are focused on helping airlines maximise revenue from both channels.

› Investment in technology that empowers airline users to make quick changes to their offering with a user-friendly experience and unparalleled speed to market - Our Digital Configurator tool which underpins the Datalex product suite enables airlines to be in complete day-to-day control of their digital retailing strategies and to remain consistently competitive in the market.

› Investment in improving the customer's ability to manage and make changes to their bookings digitally and servicing across the customer lifecycle is more crucial to airlines than ever as customer expectations have risen. This also enables airlines to improve their customer experience and reduce call centre costs. Datalex's Direct and NDC products offer this order servicing capability.

› Investment in AI-powered pricing technology that enables airlines to achieve the optimal price point for every sale, beneficial to the airline in terms of incremental revenue and equally beneficial to the customer as the price delivered is more customer centric and in line with current market factors. In 2022, we launched a dynamic pricing product, powered by AI and machine learning to tap into this new market.

Despite the acceleration of interest received from airlines wishing to invest in digital retail, we remain cognisant of the ongoing broader airline industry position post Covid-19. The commercial model for Datalex's SaaS portfolio of products means that airlines do not need to make large up-front capital expenditure investments and, as a result, we think airlines will not be constrained from purchasing Datalex products. Datalex does not have any plans to expand into other industries at this time.

Strategy Going Forward

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. By delivering innovative and timely solutions to an industry in need of change, we plan to achieve double digit growth. We will continue to attract and add new customers, and Datalex's recently added Activation function will ensure efficient and timely go-lives for new customers.

Key challenges are outlined in the Risk report on page 42.

We are a digital Company with the mindset that the digital world is constantly evolving. While we are laser-focused on organically growing our core business with our existing product portfolio, we are constantly identifying and evaluating adjacent opportunities and new areas of opportunity to capitalise on. Areas of significant opportunity identified include dynamic pricing, dynamic offers and a unified offers and orders future, which Datalex has significant competitive advantage in.

- In 2022 our newest product Pricing AI was launched to the market in May. Datalex Pricing AI provides airlines with real-time AI-powered pricing through advanced machine learning, differentiated from others in the market who use rules-based technology (ie. no artificial intelligence). It is an intelligent pricing plug-in that simulates in-house human intuition making smart pricing decisions and differentiating with price exactly like an airline would, except at scale and in real-time. We estimate that this market is worth approximately $1.2 billion in size. With Datalex Pricing AI, airlines can capture anywhere between 2% - 4% of revenue that is currently being lost due to legacy constraints.
- This year we added significant functionality to both our Digital Configurator tool and our Datalex Dynamic product, which work together to power advanced dynamic offer functionality that can be controlled by an airline in real-time.
- Throughout the year we received a lot of interest from airlines who are keen to reduce the constraints that legacy systems impose on them. We believe a unified offers and orders future is inevitable and simultaneously reduce the reliance airlines have on PSSs, while providing Datalex with a significant new market opportunity with regards to our Direct and NDC products.

Towards the end of the year, the urgency to reduce PSS reliance was qualified in our global survey in November 2022 which surveyed 150+ airline executives. What emerged was a clear frustration with the Passenger Service System ("PSS") and the constraints it imposes on airlines, preventing them from offering the digital retail experience that their customers want and expect.

Our research found that 92% of airlines globally believe their underlying PSS system is significantly or somewhat hampering the simplification of order management and ease of booking, with 60% of airlines intending to move away from their current PSS provider towards a one order-enabled technology platform in the next 1-2 years. Another telling insight that supports our strategy to transform airline retail was seen with 96% of airlines intending to move towards one order enabled technology in the next 5 years. These findings highlight imminent plans to move away from the PSS, with the majority planning to start this in the next 1-2 years. Even if that timeline is not achieved, it demonstrates a clear appetite for digital transformation in airline retail.

2022 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 plan.

Progress in 2022

- easyJet signed on to take our full suite of offer and order products, the second successive customer to do so in less than 9 months. This was a clear validation of our product offering.
- Datalex has continued to invest and maintain our products and underlying platform in order to enhance our overall product offering.
- Our newest product Pricing AI – which provides airlines with real-time AI-powered pricing through advanced machine learning – was launched to the market in May 2022.

Looking forward

- We will continue to double down on enhancements to our product platform as it continues to be endorsed in-market.
- The addition of new customers, coupled with migration projects for existing customers, has resulted in multiple airlines in our customer base being moved onto the latest version and most scalable version of our product platform.
- We will continue to invest in AI to support our product team in developing our Pricing AI product to assist our sales team in growing market share.

People

Our people drive every part of our success.

Progress in 2022

- Datalex was certified as a Great Place to Work in both the UK and Ireland for the 2nd and 3rd year in a row respectively. We were also nominated as Best Workplace in Technology for the third year in a row.
- To support growth in the face of industry recovery we recruited 49 new hires across the business in 2022.
- Datalex strengthened its leadership with two new executive appointments. Brian Lewis was appointed Chief Technology Officer and Bryan Porter was appointed as Chief Revenue Officer.
- In collaboration with the IMI (Irish Management Institute) we have created a bespoke leadership course for the next cohort of leaders in Datalex.

Looking forward

- We will continue to invest in our employer brand and create an enjoyable employee experience to ensure employee retention.
- We will continue to hire new talent and build the capability required to execute our strategy.
- Going forward, 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.

Progress in 2022

- Datalex added easyJet - the second largest low cost carrier ("LCC") in Europe by passenger volumes - as a new customer in July 2022.
- Datalex progressed several customer renewals throughout the year.
- In terms of customer satisfaction, Datalex surpassed the 2021 record, receiving the highest NPS (Net Promoter Score) from our customers since surveys began in 2014. In 2022 we scored 44, up 3 points since the 2021 survey of 41[1].

Looking forward

- With regards to customer acquisitions, Datalex will continue to attract and add new customers. Datalex's recently added activation function will ensure efficient and timely customer go-lives are achieved and customer satisfaction remains high.
- Datalex will continue to be a trusted business partner, delivering valuable capability, guidance and expertise on-time and on budget.
- We will continue to measure and improve customer satisfaction and ensure that areas of improvement are identified and actioned.

[1] The research methodology for our NPS scores comprises of an online survey, provided by an email invitation to Datalex's customer base, followed by direct contact from Customer Owners who work directly with.

Commercial Strength

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

Progress in 2022

- Contract renewals in 2022 progressed in line with our commercial model – licence fees and variable transaction fees. These components are crucial in supporting our growth and enabling the Group to participate in the recovery of the travel industry.
- The Group has significantly increased its total revenue under contract during 2022 which will secure our core business going forward.

Looking forward

- In terms of funding plans, we have secured an extension on repayment to the current Tireragh facility B to 31 December 2024. This is a €10m facility of which we have drawn down €9m to date.
- As recently announced to the market, the Board is actively pursuing further fundraising strategies and options to ensure both the repayment of the Group's existing loan facility and certainty of the working capital needs of the Group in the medium term. In this regard, the Board has engaged financial advisors to assist with securing a successful fundraising outcome.

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.

Progress in 2022

- This year we created an activation function wholly dedicated to the process of moving customers from contract signing to product go-live.

Looking forward

- We will continue to make incremental 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 continue to embed a high-performance culture which was the theme of our 2023 internal Company kick-off.

Our Products

Our products have been developed for modern airline retail.

An industry leading product portfolio positions us for continued growth.

A cloud native product set focused on transforming airline retail, positions Datalex to capture a critical and growing market for airlines – to digitalise every touchpoint in the customer journey.

Datalex's product suite is modular and scalable, meaning that airlines have the option to take the full suite of products or standalone products for their specific needs. Our products enable airlines to consolidate their digital proposition with unified offers and orders that can be achieved through our single merchandising layer.

This is an essential precursor to giving airlines full control over their digital retailing strategies which they have not had day-to-day access to previously.

- Market-leading cloud native, scalable technology
- High value, attractive complete product suite validated in-market
- Best in class development processes and delivery
- Investment in AI to power future travel experiences and new revenues
- Highly skilled team with deep airline industry expertise

The Digital Configurator

Real-time retail control for faster response in market

Airline Need

Airlines need to be empowered with tools that enable much greater offer control and self-service capabilities across all channels and touchpoints, and with a faster speed to market. The Digital Configurator was designed to do just this. It is a key underlying feature of the Datalex product suite that enables airlines to be in complete day-to-day control of the digital airline retailing solution that Datalex provides.

Datalex Product Offering

A key tool underpinning the Datalex products is the Digital Configurator, a sophisticated, cloud-based rules management system for airline business users with unrivalled flexibility and ease of use. With a core focus on simplicity, speed and airline self-service, the Digital Configurator empowers airline business users with unrivalled levels of offer control, removes the reliance on IT for data configuration and enables a faster market response time than ever before. The Digital Configurator enables airlines to capture untapped revenue that lies within dynamic offer and dynamic bundling. Airlines can be extremely agile in adapting their products, pricing and promotions in response to their market, competitive factors and customer needs. This also enables airlines to realise significant savings in time and costs for data configuration changes. The Digital Configurator enables airlines with the ability to offer ancillary bundles quickly and effectively, in addition to enabling ease of use in adding multiple ancillary products.

Datalex Direct

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

> Airline Need <
Airlines want to embrace a full and sophisticated retail model on their direct channels, with cutting-edge digital technology, ensuring their customers have a smooth and slick digital 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 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.

"Over the past 18 months, our full product suite has been validated in-market by two consecutive key airline signings with easyJet in September 2022 and Virgin Australia nine months prior in December 2021. Both airlines saw the true value in Datalex's unique product suite which provides airlines with a unified offers and orders solution through a single merchandising layer. Airlines have gravitated to our products which consolidates an airline's channels, meaning that airlines have full control of all channels - whether that is direct or indirect."

Conor O'Sullivan,
Chief Product Officer

Datalex NDC

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's NDC solution is unique as it benefits from the capabilities available in the Datalex Direct product.

> 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 October 2022, Datalex hit a major product milestone with the official certification of the latest 21.3 Schema version, as we joined a handful of other technology providers certified on this version. In 2022, Datalex was also 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. Datalex NDC provides a comprehensive, future focused and market leading offer for airlines to revolutionise their indirect channel and transform the airline / agency relationship. Datalex NDC includes the following subset of products which work together to create a robust NDC solution, providing the workflows and tools needed to fully support their shopping, booking and order servicing needs.

- **NDC API** – The Datalex NDC API is underpinned by our extensive, market-leading Order Management System which is architected for the future of airline retailing
- **Airline Assistant** – Controls distribution by managing all travel agents in-house
- **Agent Portal** – Boosts airline bookings at an agency level
- **Information Portal** – Instant access to all NDC technical documentation and guidance

Datalex Merchandiser

Ancillary revenue optimisation: merchandise everything beyond the seat

> Airline Need <
Airlines are consistently searching for new ways to generate a deeper wallet share by offering the traveller the products they want, when they want to buy them. The ability for airlines to unlock revenue beyond the seat by monetising ancillaries across the travel lifecycle is vital and presents a significant opportunity to capture traveller loyalty by owning more aspects of the trip beyond just the flight. Key to this is the ability to use customer intelligence to optimise the position, timing and targeting of ancillaries at each touchpoint across the travel lifecycle.

> 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 and is a key complementary lever for Datalex Direct. It enables airlines to connect travellers with relevant ancillaries that matches their need at the right moment, that engages them pre, during and post journey and that extends to non-travel products as well as travel specific products. With a fast implementation time of 30 days, airlines can quickly launch a sophisticated merchandising solution at low cost and with a high return in terms of ancillary revenue.

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 partners' 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. The Datalex China Shopping & Pricing Engine ensures Chinese airlines can source and present both domestic and international fares with the most relevant, clear and widest choice of offers and prices. This delivers an enhanced shopping experience with a higher conversion. Datalex China Shopping & Pricing is for Chinese airlines who want to lead in digital retail and provide the most comprehensive offers both domestically and internationally.

Datalex Dynamic

Optimised offers and dynamically determined bundles

> Airline Need <
Airlines need to improve the booking experience by surfacing the right offer relevant to each traveller. To do this, airlines need the ability to strategically adjust and personalise offers, dynamically matching products with different customer types to achieve higher conversion rates and increase customer satisfaction. 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 be able to strategically adjust and personalise offers, dynamically matching products with different customer types and different search contexts to achieve higher conversion rates and increase customer satisfaction. Airlines have limited dynamic bundling capabilities, owing to the process relating to static filed fares which airlines use by default as the starting point for their basic bundled offers.

> 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 products. This enables airlines to differentiate with and experiment with more retailing options and offers that ultimately drive increased revenues. Datalex Dynamic leverages persona, Datalex's sophisticated personalisation engine, for contextualisation and segmentation to predict and personalise offers. Through Datalex Dynamic, airlines also have access to our dynamic bundling capability which enables airlines to 'stretch the offer,' and access a greater share of the customers' wallet by adding ancillaries seamlessly to any fare. It also enhances the servicing piece because more products are bundled together and can be serviced together. Dynamic bundling allows the airline to create brand new fare families that are with a dynamically bundled set of ancillary products for specific customer types.

Datalex Pricing AI

True AI-powered, customer centric pricing

> Airline Need <
The traditional pricing methodology which airlines use today is based on a restrictive and static approach that is limited to specific customer segments or demand scenarios. For too long, airlines have been restricted in their abilities to strategically price their flights and remain consistently competitive. 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. Airlines are losing out on revenue and more customers because they are not able to capture opportunities in real-time across the revenue cycle. 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 a low-touch, high impact solution to an industry wide problem and is Datalex's newest product. Datalex Pricing AI is an AI-powered, real-time pricing product to enable 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. Datalex Pricing AI empowers airlines to build competitive advantage by differentiating through data in real-time and at scale. This product has been built for future-focused airlines who want to supercharge their pricing strategy, by scaling intelligence, and differentiating across the airline's network in real-time. Datalex Pricing AI provides a much more powerful and data-driven tool set for airlines to understand market conditions, competitive landscape, customer demand and to evaluate complex data with sophisticated data analytics and machine learning. This product is geared towards airlines focused on future-proofing their customer proposition as a market differentiator, by moving beyond traditional revenue management towards optimising customer pricing and revenue. As a cloud-based product built on Amazon Web Services ("AWS") with regular updates, this means no heavy-lifting on the airline side, integrating seamlessly with existing systems.

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 of professional and personal growth, agility and creativity, leveraging our core values and cultivating talent as we drive forward digital innovation for the airline industry.

In cultivating and maintaining a high-performing team, we recognise it is important for us to validate our performance for both employees and customers by securing feedback to provide direction for change and improvement. We maintain ongoing open dialogue with employees and we greatly value employee feedback to ensure that we capture and benchmark rich feedback year on year, incorporating this into our working model.

Culture and engagement

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

As we entered a new era of post-COVID hybrid working, high engagement remained a priority. We held regular virtual All Hands meetings and introduced 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.

In November 2022, we again launched the Great Place to Work (GPTW) Trust Index Survey in Ireland to secure employee feedback. At our Company kick-off-event in late January 2023, we were delighted to announce Datalex as a 'Great Place to Work' certified Company in Ireland for the third year running.

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 and that prioritises the well-being of our employees.

"We are proud to be recognised as a 'Best Workplace' in Ireland. Across all of our locations, we continue to nurture talent and empower our employees to perform to their best ability while working in a rewarding, respectful environment, as we drive forward digital innovation at a critical time in the airline industry."

Sean Corkery, Datalex CEO

Additionally, based on the combined results of the survey in November 2022 and a Culture Audit, Datalex has also been awarded Best Workplaces™ in Ireland 2023.

In November 2022, we participated in the Great Place to Work UK programme and through a similar process we have also officially been certified as a 'Great Place to Work' in the UK for the second time.

We are proud to achieve this status again along with actionable feedback and insights from employees.

Hybrid working model

Following on from the change in ways of working post-COVID, we continued to strengthen our employee engagement.

In order to create alignment on the direction regarding what our hybrid working model will entail at Datalex, we considered a number of Hybrid options that included the following: office-centric hybrid, structured-hybrid, flexible-hybrid and remote-first.

Hybrid options considered for Datalex

Office Centric hybrid

All employees required to come into the office most of the time but can build in one or two days each week to work remotely.

Structured-hybrid

Remote friendly however with structured guardrails in place. Eg. It may involve allowing employees to schedule work-from-home days, but not on specific days like Mondays and Fridays.

Flexible-hybrid

Teams allowed to choose when they will work from the office and when they work remotely (depending on team activity / stage of projects etc).

Remote-first

Most employees working remotely by default – would meet up once / twice a month for collaboration days.

The flexible hybrid working model, which is Datalex policy, is defined as a hybrid working arrangement where teams are allowed to choose when they will work in the office and when they will work remotely (depending on team activity and stage of projects), thus allowing maximum flexibility and autonomy.

We upgraded our working model process by introducing a hot desk system which allows for greater flexibility to support hybrid working and encouraging onsite presence for collaborative and purposeful meetings, teamwork and employee interaction.

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 programs we designed in November 2021 and which continued into 2022 was the roll out of the 'Datalex LT² Leadership Training' which is facilitated by the renowned Irish Management Institute (IMI). The first cohort of Datalex employees constituted a select group of leaders within the business from various departments and functions. This group completed this custom-designed course and highlighted the continued investment and value we place on developing our people.

This cohort of Datalex employees reported that the course was highly valuable and all recommended that we roll this out again with a new group of employees, which is currently underway.

Through this initiative we have an opportunity to greater enhance the leadership capability of our senior leaders, managers, and high performers across the business. In addition to further developing and honing the leadership skills of key employees, this programme was also devised to focus on and support a rapid growth phase in digital transformation, to further align staff with our People Agenda.

This involved a high level of investment in our key asset, our people, and demonstrates commitment to our growth mindset.

In 2022, we also continued to provide all employees with the opportunity to learn and develop their skills with a focus on how we can best do this in a remote and online context. 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.

Datalex Leadership Programme

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 2022 engagement survey, an average of 92% of employees indicated that they feel people are treated fairly from a diversity and inclusion perspective, which remained consistently high with an increase on 2021 (91%).

As of 31 December 2022, women made up 27.11% (2021: 28.8%) of total employees, 41.67% (2021: 45%) of the Executive Leadership Team and 36.84% (2021: 38.8%) of senior management (top two levels) in the Group. Throughout the Group, 20 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 2022 along with monthly wellness events.

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.

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.

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.

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.

Health and wellbeing

Supporting employee health and well-being, particularly as we embed our flexible hybrid working model has been a key priority. In 2022, we built on our policies and initiatives to support the Health and Wellbeing of our employees. This includes:

Mental Health First Aid Programme

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

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.

Whist this is an Irish Certification, employees from all locations are frequently invited to express an interest in being a Mental Health First Aider. This is extended to all locations as training is done virtually, which provided an opportunity for various locations, that we may not have in ordinary times. Whilst the training is not necessarily of everyone's interest, we invited employees to express an interest in taking part and have formed a cross functional team of Mental Health First Aiders. These MHFA's are based in our Dublin, Manchester and Beijing offices to ensure there is widespread support.

All trained MHFA volunteers are visible in the organisation and identified by the green ribbon through tools such as Peopleview, Slack and MS Teams so that employees will know they can reach out in confidence. Contact details and application details are also socialised on our newly formed Datalex Wellbeing Hub which contains a wealth of selected materials, specific to our employee health and well-being.

Headspace App

Datalex continues to provide Headspace Plus Memberships to all employees. This benefit offers proven mindfulness programs 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 2022, 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 expected to follow, always, 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 are acutely aware that Covid-19 has presented ongoing challenges for the airline industry which continued into 2022. In addition, the ongoing invasion of Ukraine as well as rising levels of inflation globally, have presented further challenges to the airline industry. We remained fully focused on actively working with our customers to support them through this period, as well as helping them to prioritise their digital investments in preparation for the recovery and a more digital centric customer with higher digital expectations than ever before.

Feedback from our customers is critical to ensure that our products solve their business needs today but is equally important to ensure that our product roadmap will 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. With travel opening back up in most regions throughout 2022, this enabled more in-person customer onsites to take place.

We also conduct a Net Promoter Score (NPS) survey with our customers on an annual basis. In 2022, Datalex surpassed the 2021 record, receiving the highest NPS (Net Promoter Score) from our customers since surveys began in 2014. Our score for 2022 reached 44, an increase of 3 points from 2021.

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 2022, 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 Senior 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

As an independent software Company, our main activities that have an environmental impact are the consumption of electricity and business travel.

Following on from 2021 when we fully migrated our data centre to cloud, we have reduced our data centre impact. Our primary cloud partner estimates that their infrastructure is 3.6 times more energy efficient than the median US enterprise data centre.

Our employees also travelled less in terms of commuting to the office throughout 2022 as a result of our hybrid working model.

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 of our sustainability strategy at Datalex.

In 2022, we continued 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; and
- Contributed to Crann Ireland's Easy Treesie initiative – a UN-backed global initiative to plant one million trees with one million school children by 2023. 151 trees have been donated by Datalex in 2022. These trees can sequester approximately 7,200 pounds of carbon each year and provide enough oxygen for 75 people to breathe clean air.

Going forward, we will continue to have a hybrid working model and will implement other initiatives that enable us to reduce our carbon footprint. Whilst we did not measure our carbon emissions generated from our operations in 2022, we plan to do so in the future to ensure that we are making meaningful progress in reducing our carbon footprint.

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.

Datalex does not yet have an ESG strategy. It does however have a business strategy designed to be economically, environmentally, and socially sustainable. The Board have begun to evaluate the impact of the European Corporate Sustainability Reporting Directive (CSRD) and the first batch of European sustainability reporting standards (ESRS), which take effect from 1 January 2024. The Board are aware that significant work will be required to comply with the new disclosure requirements, we look forward to the greater clarity and structure it will bring.

Financial and Operational Review

In 2022, Air travel activity levels recovered strongly in Europe and the United States. However, airports and airlines faced challenges due to the unprecedented scaling up of operations resulting in capacity constraints and intermittent flight cancellations. Those operational issues were gradually resolved during the year.

The anticipated Chinese market recovery did not materialise in 2022 due to continued lockdowns in key cities thus impacting transaction volumes with our Chinese customers. As a result, our revenues and earnings derived from China were negatively impacted in 2022. China travel volumes have risen in Q1 of 2023 and Datalex remains positive on the Chinese market. Datalex continues to see strong engagement with customers as they accelerate their digital retail roadmap which is providing several enhanced opportunities for the Company. However, partly because of planning for the delivery of such services projects, certain projects expected in 2022 moved out to 2023. This negatively impacted 2022 revenues but will positively contribute to growth in 2023.

Investment in product development has continued. A new product, Datalex Pricing AI, was launched to the market in May 2022. This product is an entry into a new business area for Datalex within airline retail and expands the Group's total addressable market. The product has been trialled with two airlines to date and we are confident that it will drive material benefits for the airline industry.

An important strategic milestone announced on 1 September 2022 was the signing of easyJet as a new customer. easyJet, one of the leading low-cost airlines chose Datalex and its technology to enhance their retailing and digital experience. This follows the addition of Virgin Australia, a key Asia Pacific carrier, to the customer base in 2021.

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 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

	2022 As Reported US$'M	2021 As Reported US$'M
Platform revenue[1]	11.1	13.3
Services revenue	11.2	8.5
Consultancy revenue	1.2	1.5
Other revenue	-	2.2
Total revenue	23.5	25.5
Operating costs before exceptional items[2]	35.0	27.4
Exceptional costs (including income tax)	0.3	0.3
Adjusted EBITDA[3]	(5.3)	2.4
Foreign exchange gain/(loss)	0.1	(1.0)
Foreign currency adjusted EBITDA[4]	(5.2)	1.4
Loss after tax	(11.5)	(4.9)
Cash and cash equivalents	6.5	8.3
Cash (used in)/generated from operations	(3.3)	0.5
Net working capital[5]	(8.5)	3.9
EPS – basic (cent)	(8.7)	(4.7)
EPS – diluted (cent)	(8.7)	(4.7)

(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 106-107. Narrative reconciling the movement in the net working capital is detailed in the "Cash and Financial Position at 31 December 2022" commentary on page 40.

Revenue

Platform revenue

Platform revenue of US$11.1 was down year-on-year by US$2.2m or 17%. The reduction is attributable to reduced transaction volumes in Asia and to the winding down of transactions with customers that gave notice in 2021.

Services revenue

The overall services revenue of US$11.2m increased from US$8.5m in 2021 as a result of customer implementations and customers returning to services projects in 2022 as their business priorities changed following the easing of Covid-19 related travel restrictions.

Other revenue

Included in 2021 is an amount of US$2.2m, as a result of confirmation that a customer no longer intends to utilise a Datalex platform solution and the termination fee which was received in 2019 has been recognised in 2021.

Operating costs

Our operating costs (before exceptional items) increased by US$7.6m to US$35.0m (2021: US$27.4m). The main driver of the increase was due to a higher contractor costs to facilitate increased service revenue (increase of US$2.5m). In addition, deferred fulfilment costs of US$2.3m were amortised to the Consolidated Statement of Profit and Loss (2021 : US$nil). A detailed breakdown of expenses by nature is disclosed in Note 19. This shows further increases in cost categories such as Amortisation of Development Costs (US$0.8m), Travel (US$0.0.3m) and 3rd Party Services (US$0.5m).

We recorded an adjusted EBITDA loss of US$5.3m in 2022 which compares to EBITDA earnings of US$2.4m in 2021. Foreign currency adjusted EBITDA loss of US$5.2m in 2022 compares to earnings of US$1.4m in 2021. This was due to the impact of the reduction in other revenue combined with the above noted increase in operating costs.

Despite the challenges of 2022, we continued to invest in production innovation and the development of new solutions for use by our customers. We capitalised US$2.4m of costs associated with product development. This compares to a capitalisation of US$2.2m in 2021.

Cash and financial position at 31 December 2022

Our cash and short-term investments at 31 December 2022 totalled US$6.5m (2021: US$8.3m). A net cash outflow from operations (US$3.4m) and outflows to fund product development (US$2.4m) were offset in part by proceeds of borrowings (US$5m), contributing to a decrease in cash of US$1.7m 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

	2022 US$'000	2021 US$'000
Loss after tax	(11,464)	(4,874)
Adjustments:		
Tax charge	60	77
Interest expense	367	4,350
Depreciation and amortisation expense	4,215	1,631
Share-based payment cost	1,188	983
Total adjustments before exceptional items	5,830	7,041
Exceptional costs (before income tax) (see Note 23)	296	268
Total adjustments after exceptional items	6,126	7,309
Adjusted EBITDA	(5,338)	2,435
Foreign exchange gain/(loss)	90	(1,046)
Foreign currency adjusted EBITDA	(5,248)	1,389

Exceptional Costs

Exceptional costs of US$0.3m were incurred during the year (2021 : US$0.3m).

The exceptional costs incurred in 2022 are set out 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)

The exceptional costs in 2021 were largely due to continued costs incurred relating to the events of 2018, in addition to costs relating to a severance programme as part of the Group's response to Covid-19, closure of the Atlanta office and other costs.

Further explanations of the US$0.3m of exceptional items incurred in both years can be found in Note 23.

Financing

In 2022, the Group drew down on facility B of the current facility agreement with Tireragh which provides access to an amount of €10m. At 31 December 2022, the Group had drawn down €5m of this facility. At 31 December 2022, the terms of the agreement stated that the balance was due for repayment in June 2023 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$0.4m (2021 : US$4.4m) in relation to its borrowings. The cost incurred in 2021 included US$3.1m in relation to the amortisation of debt issuance costs.

Dividends

The Board is not recommending that a dividend be paid in respect of 2022 (2021: US$nil).

Taxation

The effective rate of tax in the Group remains at zero due to the losses incurred in the period 2019 - 2022. 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

Since year end, the Group has signed a new contract with LATAM for Datalex Dynamic Shopping and Pricing. Additionally, three key customer contracts which were scheduled for renewal at year end were renewed during March and April 2023 for multi-year terms.

On 27 February 2023, Scandinavian Airlines (SAS) cancelled their contract with the Group via notification of rejection under Chapter 11 process.

In March 2023, a further €4m of the Tireragh Facility B was drawn down.

On 11 April 2023, the Group entered into the Third Amendment and Restatement Agreement with Tireragh Limited, an amendment to the Group's debt facilities agreement with Tireragh Limited. The amendment extends the repayment date for all amounts owing to Tireragh from 30 June 2023 out to 31 December 2024, subject to an increased interest rate.

Conclusion

2022 was a challenging year with a slower than expected recovery in China air travel and certain services projects deferred into 2023. However, opportunities for growth are returning for Datalex as the global airline industry recovers, air travel operational issues are resolved and demand for digital transformation of retail rises.

While the impact of prior year customer terminations carried into 2022, the addition of easyJet as a customer during the year, and Virgin Australia in 2021, will positively impact future financial results and serve as a valuable reference for other potential customers in the low-cost airline segment and in Asia. As growth returns for Datalex we will manage our cost base effectively to deliver shareholder value but continue to invest in attractive product development opportunities.

Dan Creedon
Chief Financial Officer

– 04 May 2023

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 at page 64.

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

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 2022 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 an increase in global inflation rates and its potential to impact the spending power of consumers and the increasing emphasis on climate change and its impact on airlines. These emerging risks will be subject to detailed and continuous review and assessment in order to identify any changes to the risk profile.

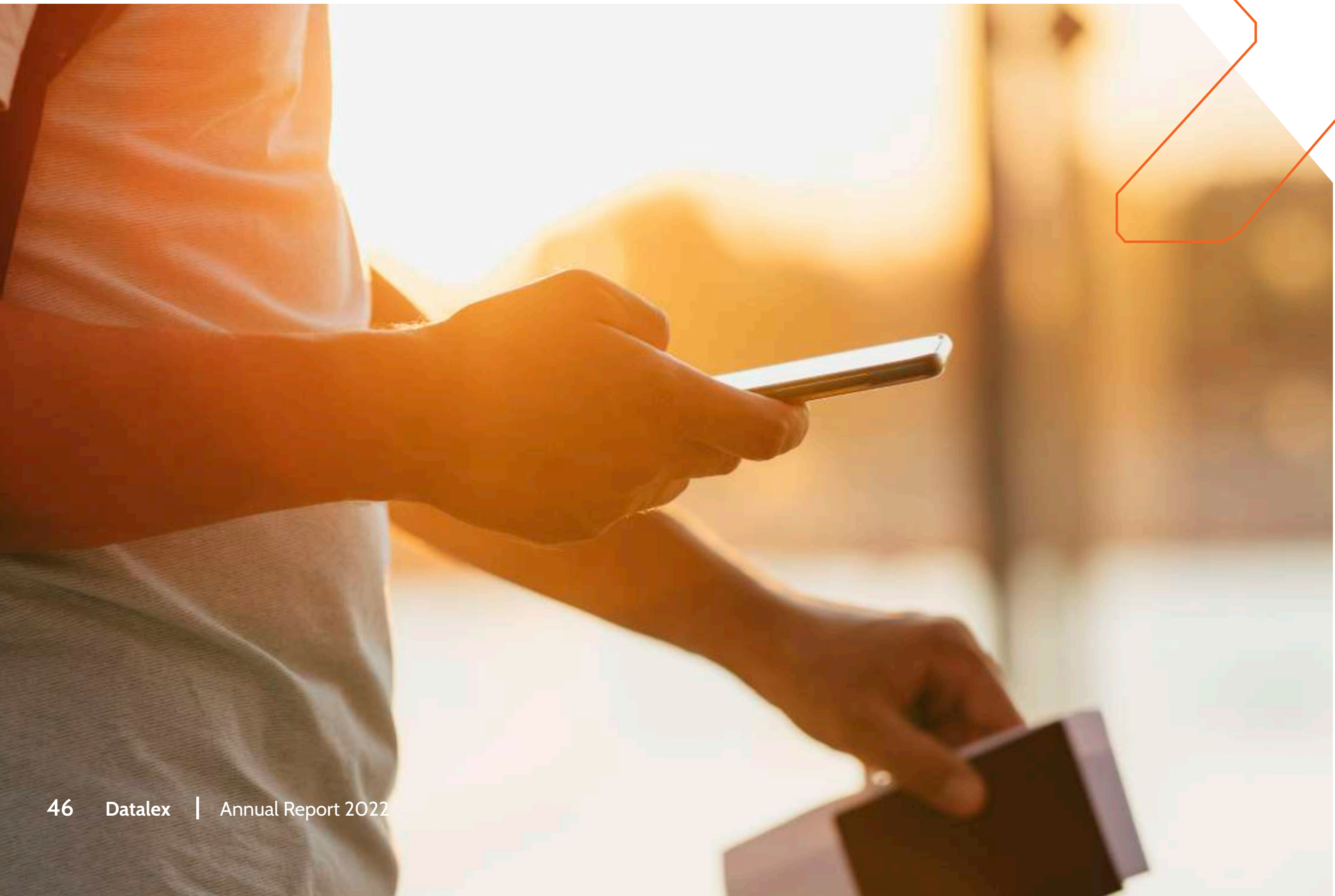
Principal Risks and Uncertainties

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 Board in December 2022. The main risk categories that the Board considered are on the following page.

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 risks, particularly regarding the Ukraine invasion, places 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.	Throughout 2022, we provided unparalleled support to our customers which were still impacted by localised Covid-19 travel restrictions. The Group continued to develop an active and broad pipeline, as well as opportunity management, which has proven efficient, with the securing of a new customer, easyJet. The Group has maintained a high frequency of cashflow and financial reporting to the ELT and the Board to facilitate accurate business continuity planning during periods of uncertainty.	
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.	The Group has access to a debt facility with Tireragh Limited, which has an availability period for drawdown until June 2023 and a repayment date of December 2024. As recently announced to the market, the Board are actively pursuing further financing options to support the expansion of the business and repay the Tireragh facility. The Group is currently working with financial advisors on securing new financing with a view to completing this in the coming months.	
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.	The Group 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 a new customer during 2022 and the renewal of contracts with three key existing customers. The Group continues to invest in the modernisation and modularisation of core technologies in line with market expectations.	
Ability to resource growth of the business **Risk Trend Increasing** ↑	The Group's ability to implement new customer wins 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.	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 continues to add new expertise in key areas. The Group engages in regular resource planning meetings with delivery partners where new opportunities for growth are considered.	
Business interruption and IT Systems 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.	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. The Group's investment in a modern, standardised technology platform, along with our trusted IT partners, assists us in managing these risks.	
Adverse Litigation **Risk Trend Stable** ↔	An adverse outcome could result in financial loss and reputational damage	The Group has regular, ongoing reviews of all litigation with specialist external counsels, as well as the internal legal team. The Group has frequent Board updates on litigation including detailed litigation strategy planning, risk analysis and budgeting.	

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 2022 is a period of twelve months from the date of approval of these Financial Statements.



The Group incurred a loss of US$11.5m in the year (2021: US$4.9m). At 31 December 2022, the Group had net liabilities of US$9.3m (2021: net assets of US$0.9m) and net current liabilities of US$8.5m (2021: net current assets of US$3.9m). The total decrease in cash was US$1.7m (2021: increase of US$5.5m) with a closing cash balance of US$6.5m at 31 December 2022 (US$3.5m as at 31 March 2023 per unaudited management accounts).

In adopting the going concern basis in preparing the Financial Statements, the Directors have considered the sources of finance available to the Group which include access to the equity markets, the credit facility available as part of the Third Amendment and Restatement Agreement between Datalex plc and Tireragh Limited (a €10m facility of which €9m has been drawn down at the date of the approval of the Financial Statements - "Facility B") and the Group's cash-on-hand. In evaluating cash flow needs, the Directors have taken into account the Group's commitments to customers and the working capital requirements for recent customer wins by the Group and potential new customers.

To prepare financial forecasts for the business is challenging as 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. Those risks and uncertainties include but are not limited to:

› Conflict in Ukraine: While the majority of Datalex's customers do not fly into the directly affected areas there may be adverse impacts on the expected travel volumes across Europe and on Transatlantic routes.

› Oil Prices: Fluctuating oil prices could adversely impact the airline industry. Fuel surcharges and hedging may mitigate those impacts in the short term but the impact on Datalex's customers is uncertain.

› Covid-19 pandemic: Recovery from the pandemic is evident across the markets that Datalex's customers serve but the emergence of new variants and potential future localised lockdowns would have adverse impacts on travel.

› Inflationary pressures: The continuation of rates of inflation globally may have an adverse impact on travel as consumers disposable incomes reduce.

› Customer contract renewals: Key customers contracts of the Group were scheduled for renewal. At the time of finalisation of these Financial Statements all key customers which were scheduled for renewal at year end have renewed their contracts for multi-year terms. Furthermore, a number of new customers were secured by the Datalex Group in the past two years. One customer, who entered Chapter 11 in the US during 2022, terminated their contract in March 2023 as part of their wider restructuring process under Chapter 11.

The Group has secured an extension from Tireragh Limited to repay all outstanding principal amounts and associated accrued interest under Facility B by 31 December 2024, which is more than twelve months from the date of approval of these Financial Statements. At the approval date of these Financial Statements the Group had drawn down €9m of the €10m available under the facility. Furthermore, the Board of Datalex plc has engaged its financial advisers to explore further fundraising options to support the expansion of the business as it returns to positive cashflow generation and further builds out its global customer base, as well as to secure capital to repay the debt facility. A capital markets event for analysts and investors has been scheduled for 10 May 2023.

The Directors recognise 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, the current funding facilities outlined including the extended repayment date of Facility B and the fundraising options available to the Group the Directors 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 has 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

David Hargaden

Chairman

Age: 66
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 and is the Executive Chairman of Unity Technology Solutions, one of Ireland's leading IT Managed Services businesses. He 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.

John Bateson

Non-Executive Director

Age: 59
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.

Sean Corkery

Chief Executive Officer

Age: 65
Nationality: Irish
Appointed to Board: 12 April 2019
Independent: No
Committee Memberships: None

Skills and experience:
Sean was appointed as Non-Executive Director and Interim Chief Executive Officer of Datalex in April 2019 and was subsequently appointed as the permanent CEO in October 2019. He also served as Acting Chairman between June and November 2019. Sean is a highly experienced executive having held multiple senior positions in the technology industry including Senior Vice President of Global Operations at Dell Inc; COO at Esat Telecom; Vice President of Global Operations at AST / Samsung and Director of Pacific Operations at Apple Inc. Prior to joining Datalex, Sean was Chairman and CEO at Actavo and he is a non-executive Director of a number of private companies.

Dan Creedon

Chief Financial Officer

Age: 57
Nationality: Irish
Appointed to Board: 1 January 2022
Independent: No
Committee Memberships: None

Skills and experience:
Dan Creedon has extensive experience as a finance and operations leader across multiple industries and countries. He brings a deep knowledge of the technology industry, building high performance finance teams, global markets and mergers & acquisitions. Prior to joining Datalex, he was Finance Director for Europe Materials at CRH and before that he was CFO at Tarmac, a CRH Company. Prior to that, Dan spent over ten years in Asia and the Middle East serving as CFO, Asia Pacific at Cisco, at Lenovo and at Dell. Earlier in his career Dan spent ten years at Intel where he held senior Finance roles in Ireland, Malaysia, the United States, the Philippines, and in the UK. Dan is a Chartered Management Accountant and holds an MBA from the University of Manchester.

Dermot Halpin

Non-Executive Director

Age: 53
Nationality: Irish
Appointed to Board: 1 January 2022
Independent: Yes
Committee Memberships:
Renumeration

Skills and experience:
Dermot Halpin is a highly experienced global technology executive and has held CEO and President positions at several US and European public and private travel and technology firms including Tripadvisor Inc and Expedia Inc. Dermot has also served on the boards of ding.com (Ireland, Fintech), E-long (China, Online Travel) and Voyages-SNCF (France, Online Travel) amongst other consumer tech boards. Dermot holds an MBA from INSEAD and studied engineering at University College Dublin.

Peter Lennon

Non-Executive Director

Age: 66
Nationality: Irish
Appointed to Board:
4 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 4 August 2000.

Mike McGearty

Lead Independent Director

Age: 49
Nationality: Irish
Appointed to Board:
9 December 2019
Independent: Yes
Committee Memberships:
Audit & Risk (Chair), Remuneration

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.

Executive Leadership Team

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 an airline industry e-Commerce executive. 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.

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.

Dan Creedon

Chief Financial Officer

Refer to Board of Directors Section for biographical information.

Sean Corkery

Chief Executive Officer

Refer to Board of Directors Section for biographical information.

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.

Conor O'Sullivan

Chief Product Officer

Conor has extensive product management and technology leadership experience. Having joined Datalex as a graduate, he was promoted to roles as Head of Architecture and Head of Engineering. He has intimate knowledge of our platform and product capabilities and has carved a role as a thought leader in the airline industry.

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.

Ellen Treacy

VP 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.

Corporate Governance Report

Dear Shareholder,

I am pleased to present our 2022 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, https://www.datalex.com/wp-content/uploads/2022/04/DLX-QCA-Code-Website-Disclosure.pdf.

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 72 to 87. A detailed Risk Report is outlined on pages 42 to 45.

The priority areas of Board focus in 2022 are set out in my introduction to this Annual Report on pages 6 to 11.

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

David Hargaden
Chairman
– 04 May 2023

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 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 64 to 71.

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 72 to 87.

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 62 to 63.

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 52 and 53.

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 Sean Corkery

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.

Senior Independent Director Mike McGearty

The Senior Independent Director coordinates, in a lead capacity, the other independent Directors and his duties include 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 Senior 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 50 and 51

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 50 and 51.

Chief Financial Officer Dan Creedon

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.

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 2022, the Board comprised of seven Directors: the non-executive Chairman, two Executive Directors and four Non-Executive Directors, two of whom are considered as Independent Non-Executive Directors. Please refer to page 59 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 2022 the Board met 11 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 Senior 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 2022

Board Member	Meeting Attendance	Tenure
David Hargaden	11 / 11	3 years
Sean Corkery	11 / 11	4 years
Dan Creedon	11 / 11	1 year
John Bateson	11 / 11	16 years
Dermot Halpin	10 / 11	1 year
Peter Lennon[(1)]	11 / 11	22 years
Mike McGearty	10 / 11	3 years

(1) Peter Lennon has been a Director of the Datalex Group since 1993 prior to the incorporation of Datalex plc on 4 August 2000.

Date of appointment (and length of service to date of this Annual Report) to the 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 (3 years 5 months)	30 January 2020 (3 years 3 months)	30 January 2020 (3 years 3 months)	-
Sean Corkery	12 April 2019 (4 years)	-	-	-
John Bateson	20 November 2006 (16 years 5 months)	-	-	21 April 2010 (13 years)
Dan Creedon	1 January 2023 (1 year 4 months)	-	-	-
Dermot Halpin	1 January 2022 (1 year 4 months)	-	28 January 2022 (1 year 3 months)	-
Peter Lennon[(1)]	4 August 2000 (22 years 8 months)	-	4 August 2000 (22 years 8 months)	30 January 2020 (3 years 3 months)
Mike McGearty	9 December 2019 (3 years 4 months)	30 January 2020 (3 years 3 months)	30 January 2020 (3 years 3 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.

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 2022, there was significant engagement with the Company's shareholders 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 Senior 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 meeting, 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. For the first half of 2022, our cross-functional Covid-19 Business Continuity Task Force continued to focus on actions to mitigate against any associated health and safety risks, including mental health and well-being. The Board are currently considering the appropriate arrangements to ensure high quality communication between the workforce and the Board via a 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. The Board hopes to be in a position to appoint a Director of Workforce engagement in the coming months. Throughout 2022, the 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 are acutely aware that Covid-19 was catastrophic for the airline industry and we are actively working with our customers, and with the support of our major suppliers, to help and support them in their recovery from the pandemics impact.

Communities

The Board is regularly updated on CSR and sustainability initiatives. Please refer to Our Stakeholders section on pages 28 to 36 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 in the past 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 Dermot Halpin 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 50. 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 2022, Peter Lennon, who is not considered independent, was 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 2022, Mr. John Bateson retired from the Remuneration Committee and Mr. Dermot Halpin was appointed in his place. At 31 December 2022, 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 2023.

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 and with the External Auditor. 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 72 to 87.

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 including a triennial external evaluation. The next triennial external evaluation is scheduled to take place in Q4 2023. The last triennial evaluation was conducted in December 2020 and its results and recommendations were considered in detail by the Board in March 2021. Following this consideration the Board agreed an action plan, listing areas of focus from the evaluation, to further improve the functioning of the Board and its Committees. The external evaluation supplements the internal Board performance evaluation, the most recent of which took place in December 2022. The outcome of the Board Evaluation was positive. The evaluation did not identify any areas that required particular focus. 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 Group's latest Code of Conduct was adopted in 2020. 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 Senior 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 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 64 to 71.

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 2022 and reviewed regularly by both the Board and the Audit & Risk Committee, with its latest revision being in December 2022. 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 42 to 45;

- The Group has written procedures and authority limits for all operating and capital expenditure; and

- Further enhancements were made to the Group's control environment with further integration of the ERP system, additional manual oversight, the engagement of new personnel in finance and newly introduced processes.

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 Board Control 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 64 to 71, 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 2022. 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 4 times in 2022. Member attendance at meetings is detailed below.

Committee Member	Meeting Attendance	Committee Tenure
John Bateson (Chair)	4/4	3 years(1)
Peter Lennon	4/4	3 years

(1) Tenure as Chair. Mr. Bateson was a member of the Committee prior to his appointment as Chair.

Key Areas of Activity During 2022

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 Committee, in conjunction with the Board, has stated its intention to 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 Dermot Halpin 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 50.

Board Evaluation

As detailed on page 60, the Board conducts annual internal and triennial external evaluations of its own performance and that of its Committees, Committee Chairmen and individual Directors. The next scheduled triennial review is in Q4 2023.

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 2022, 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 2022, women made up 27.11% of total employees, 41.67% of the Executive Leadership Team and 36.84% of senior management (top two levels) in the Group.

Priorities for the Year Ahead

Our priorities for the coming year will include the appointment of new Board members in 2023, with a particular emphasis on diversity and thereafter an appropriate 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

– 04 May 2023

Audit & Risk Committee Report

Dear Shareholder,

I am pleased to present the report of Audit & Risk Committee (the "Committee") for the year ended 31 December 2022. 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 7 times in 2022. Member attendance at meetings is detailed below.

Committee Member	Meeting Attendance	Committee Tenure
Mike McGearty (Chair)	7/7	3 years
David Hargaden	7/7	3 years

David Hargaden and I 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 2022

2022 was another busy year for the Audit & Risk Committee with time being spent dealing with the 2021 audit, overviewing 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 2022, the committee received regular updates on enhancements to the Group's control environment and ERP system, the engagement of new personnel in finance and certain newly introduced processes.

Our auditor, 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 2022.

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 2022 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 accounts, 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 accounts 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, in particular, 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 2022 financial year. › Considered the External Audit Plan for 2022 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 2022 in relation to the External Audit Plan and related actions. › Evaluating the performance of Deloitte, including its independence and 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 2022. › Considering the Management Letter presented to the Group by Deloitte in April 2022 after the completion of the annual audit.

Matter Considered	Actions Taken
Internal audit	The Committee appointed Mazars as a suitably qualified, independent third party to provide internal audit services on an outsourced basis in 2020. Since its appointment, Mazars have reviewed the areas of; risk management, cyber security, revenue recognition, remote working and corporate governance in line with their 3 year plan. 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 2022 and approval of the Internal Audit Plan for 2023. › 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 7 meetings were held in 2022 (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 2022. › Reviewed Euronext Announcements regarding market guidance and updates.

Matter Considered	Actions Taken
Internal controls review	In April 2022, the Group was presented with a Management Letter from Deloitte subsequent to completion of the year end audit. It noted a number of areas for improvement in relation to Internal Controls, including Revenue Recognition and Intangible Assets. Throughout the remainder of 2022 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 2022 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. › Reviewing the Committee's schedule of proposed matters for its 2023 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:

Matter Considered	Actions Taken
Going Concern assessment	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.
IFRS 15 Revenue Recognition	The key judgments considered by the Committee in relation to revenue recognition for 2022 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; and › Recognition of revenue for each performance obligation. › Consideration of revenue recognition for new 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.
Classification of exceptional items	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 impaired deferred fulfilment costs. During 2022 a customer contract, for which fulfilment costs had been deferred, was amended. As a result, previously planned releases and capabilities that were part of the initial contract are no longer applicable under the delivery plan for the amended contract. The impairment amount represents costs incurred which had been deferred on these releases and capabilities prior to the contract amendment. The committee are satisfied as to the classification of this impairment as an exceptional item.

Matter Considered	Actions Taken
Capitalisation of development costs	A total balance of US$2.4m was capitalised in 2022. Recognising the judgments involved, the Committee reviewed the process and value of product development expenditure during 2022. 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 Mazars as a suitably qualified, independent third party to provide internal audit services on an outsourced basis in 2020.

The committee are responsible for approving the Internal Audit Plan. The focus of the plan for 2022 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 2023, with a view to conducting further reviews.

Annual Evaluation of Performance

As detailed on page 60, the Board conducts an annual evaluation of its own performance and that of its Committees, Committee Chairmen and individual Directors. The conclusion from the 2022 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 2022 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

– 04 May 2023

Remuneration Committee Report

Dear Shareholder,

I am pleased to present our Remuneration Report for the year ended 31 December 2022. 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 2022. Member attendance at meetings is detailed below.

Committee Member	Meeting Attendance	Committee Tenure
Peter Lennon (Chair)	4/4	23 years
John Bateson(1)	-	12 years
Dermot Halpin(2)	4/4	1 year
David Hargaden	4/4	3 years
Mike McGearty	2/4	3 years

(1) retired on 28 January 2022
(2) appointed on 28 January 2022

As evidenced by the Board member biographies on page 50 and 51, 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. On 28 January 2022 the Board considered the positions 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 but that this will be reconsidered by the Committee later in 2023. The Chairman absents himself from discussion around his own remuneration. On 28 January 2022, Mr. John Bateson retired from the Remuneration Committee and Mr. Dermot Halpin was appointed in his place on the same date.

Covid-19 and 2022 Business Performance

2022 continued to be a challenging year for our business due to the continued negative impact of Covid-19 and its variants, particularly omicron. The Committee has been very conscious, and sensitive to, the impact of the pandemic on all of our stakeholders, including our employees, customers, partners, shareholders and wider stakeholders. The Committee believes that as a result of the actions taken, and the resilience of our revenue model, the Group was well positioned to withstand the impact of Covid-19 and associated variants during 2022.

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 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 taking into account 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

2022 was a disappointing year where revenue declined primarily due to travel restrictions in Asia but also as a result of a reduction in services work and the lack of transaction-based customers pending new agreements. Adjusted EBITDA for the year was a loss of US$5.3m (2021: Adjusted EBITDA earnings of US$2.4m).

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"). The purpose of LTIP 2020 is to support the recruitment and retention of key executives, align the interests of executives 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 2022, the Committee took into account 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 2023 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 2022 are set out on page 87.

External Advice

The Committee seeks independent advice when necessary, from external consultants. No such advice was sought in 2022.

Annual Evaluation of Performance

As detailed on page 60, the Board conducts annual internal and triennial external 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 Annual Report on Remuneration at the 2023 AGM.

On behalf of the Remuneration Committee.

Peter Lennon
Chair, Remuneration Committee

– 04 May 2023

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 awards of share options 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 2022 are outlined on page 83.

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)
Seán Corkery	15 July 2020	6 months	6 months
Dan Creedon	1 January 2022	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-data 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 2022 and how the Committee intends to apply the Remuneration Policy in 2023. This Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2023 AGM of the Company. The information on pages 82 to 87 has been audited.

Component	Dan Creedon CFO – USD$	Sean Corkery CEO – USD$
Salary 2022	299,000	371,000
Pension Contributions 2022	-	28,000
Annual Bonus 2022	-	-
LTIP awards granted 2022	144% of Salary[1]	-

(1) Calculated by reference to the number of options awarded multiplied by the market price of shares of Datalex plc on the date of grant.

Executive Director Remuneration Payments 2022 (in US$'000s)

		Fixed Pay			Incentive Pay		
Executive Director	Full year	Base Salary	Pension Contributions	Other Benefits	Annual Incentive (Payable in Cash)	Annual Incentive (Options)[3]	% Change annualised
Seán Corkery	2021	416	31	5	-	-	-
	2022	371	28	-	-	-	-
Niall O'Sullivan[1][2]	2021	345	26	341	-	-	-
	2022	-	-	-	-	120	-
Dan Creedon	2021	-	-	-	-	-	-
	2022	299	-	-	-	-	-

(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 gains on options exercised during the period. The costs associated with executive Directors options in the year was US$302k (Seán Corkery - US$90k, Dan Creedon - US$212k). The total share-based payment charge for all key management personnel is disclosed in Note 29.

Non-Executive Director Remuneration Payments 2022

Non-Executive Director	Base Fee US$'000	Chair Fee US$'000	Total US$'000	2021 Total US$'000
John Bateson	53	-	53	59
David Hargaden	-	106	106	119
Dermot Halpin	52	-	52	-
Mike McGearty	53	-	53	59
Peter Lennon	53	-	53	59

No changes were made to the (Euro denominated) Non-Executive Director fees during 2022.

The table below shows the year-on-year change and percentage change in Directors' remuneration and the year-on-year change and percentage change in the average remuneration of employees during the year ended 31 December 2022 compared to the year ended 31 December 2021.

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

	2022	2021
Average remuneration per FTE employee(1)	$94k	$107.4k
Percentage change versus prior year	(12%)	13%
Company Performance		
Loss after Tax	$11.5m	$4.9m
Percentage change versus prior year	(135%)	25%

(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 2022 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 2022 as performance measures for 2022 were not met.

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

	Maximum Incentive (% of Salary)	2022 Bonus (% of salary)
Sean Corkery	50%	-
Dan Creedon	50%	-

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. 500,000 options were awarded to Executive Directors in 2022.

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 were as follows:

Performance condition	Revenue	Net Cash	New Customer Win
Weighting	33%	33%	34%
Definition	Achievement as against the Revenue Target for 2022.	Achievement as against the Net Cash target for 2022.	Achievement of a signed contract with a new customer in 2022.
Vesting Level	Below 90% of Revenue target, none of the Award shall vest. Between 90% and 100% of Revenue target, straight line vesting shall occur.	Below 90% of Net Cash Target, none of the Award shall vest. Between 90% and 100% of Net Cash target, straight line vesting shall occur.	100%

The Committee has determined that the overall vesting level for 2022 was 67%.

Directors' & Secretary's Interests in the Long-Term Incentive Plan

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

	At 1 Jan 2022	Granted/ (lapsed) during the year	At 31 Dec 2022	Exercise Price	Date of Award	Exercisable Date	Expire Date
Sean Corkery	1,000,000	-	1,000,000	€0.55	2 Dec 2020	2 Dec 2023	2 Dec 2025
Dan Creedon	-	500,000	500,000	€0.95	5 Jan 2022	5 Jan 2025	5 Jan 2027
Neil McLoughlin	250,000	-	250,000	€0.55	2 Dec 2020	2 Dec 2023	2 Dec 2025
	-	242,647	242,647	€0.75	13 May 2022	13 May 2025	13 May 2027

Directors' & Secretary's Interests in the SAYE scheme

	At 1 Jan 2022	Granted/ (lapsed) during the year	At 31 Dec 2022	Exercise Price	Date of Award	Exercisable Date	Expire Date
Neil McLoughlin	34,615	-	34,615	€0.55	1 Jul 2021	1 Jul 2024	31 Dec 2024

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 2022 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 2022	No. Ordinary Shares at 01 Jan 2022
John Bateson	-	-
David Hargaden	464,166	364,166
Mike McGearty	-	-
Sean Corkery	800,000	500,000
Neil McLoughlin	159,653	114,893
Peter Lennon	375,148	375,148
Dermot Halpin	-	-
Dan Creedon	-	-

Director's interests in share options are set out in the "Directors' & Secretary's Interests in the Long-Term Incentive Plan" table on page 85 and "Directors' & Secretary's Interests in the SAYE scheme" table on page 85. 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 2022.

Executive Director	% of base salary(1)
Sean Corkery	124%

(1) Calculated by reference to the Datalex plc closing share price on Euronext Growth on 30 December 2022.

Pensions for Executive Directors are provided under a defined contribution pension scheme. During 2022, one Director was a member of the Company defined contribution pension scheme (2021: two). The total pension contributions payable under the scheme amounted to US$27,711 (2021: US$31,222) for Sean Corkery and USD$2,053 (2021: US$25,870) for Niall O'Sullivan. The total contributions accrued under the scheme at 31 December 2022 for Sean Corkery was US$2,270 (2021:US$2,486).

Payments for Loss of Office

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

Payments to Past Directors

An amount of US$228,261 which was accrued for at 31 December 2021 was paid to former Director Niall O'Sullivan in 2022 representing payment in lieu of notice and contractual amounts owed.

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 2023 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 and CFO are detailed below.

Executive Director	1 January 2023 (US$'000)	1 January 2022 (US$'000)
Sean Corkery	373	414
Dan Creedon	304	324

Annual Bonus Metrics

The maximum annual bonus award level for Executive Directors under the plan in 2023 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 2023

The 2023 Performance Criteria for the outstanding LTIP awards have been set as follows:

Performance condition	Revenue	EBITDA	Customer activations
Weighting	33%	33%	34%
Definition	Achievement as against the Revenue Target for 2023.	Achievement as against the adjusted EBITDA target for 2023.	Key operational metrics associated with customer activations during 2023.
Vesting Level	Below 90% of Revenue target, none of the award shall vest. Between 90% and 100% of Revenue target, straight line vesting shall occur.	Below 90% of adjusted EBITDA target, none of the award shall vest. Between 90% and 100% of adjusted EBITDA target, straight line vesting shall occur.	100%

The 2023 Performance Criteria will be established by the Remuneration Committee and communicated to shareholders in 2023.

Pension

The pension contributions for the CEO and CFO are in line with the general workforce. No changes are proposed in 2023.

Shareholders Vote on Remuneration

In 2022, 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 2022 Annual Report on Remuneration	76,227,410	76,227,410	-	-

At the 2023 AGM the Company intends to propose its 2022 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 2022.

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 2022, the outlook for 2023 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 2022 and the Consolidated Statement of Financial Position at that date are set out on pages 108 and 106 respectively. The Group's loss for the year ended 31 December 2021 was US$11.5m (2021: US$4.9m).

Dividends

The Board of Directors is not recommending that a dividend be paid in respect of the year ended 31 December 2022 (2021: 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 2022, and up to the date of this report, and a biographical note on each appear on pages 50 and 51. The Company Secretary's details are set out in the Executive Leadership Team on page 53.

All Directors retired at the Annual General Meeting of the Company on 26 May 2022 and, being eligible, offered themselves for reelection, 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 2023.

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 85.

Corporate Governance

The Directors' Statement on Corporate Governance on pages 54 to 61 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 42 to 45 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 2022, 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 2022, the Company had 132,677,010 ordinary shares in issue (31 December 2021: 132,153,843). At 31 December 2022, 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.

A shareholder, or a group of shareholders, holding at least three percent of the issued share capital of the Company, has the right to put an item on the agenda or to table a draft resolution for inclusion on the agenda of a general meeting, subject to any contrary provision in Irish Company Law.

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 2022

There were no EGMs held during 2022.

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 2022 and 04 May 2023 (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.

	At 31 December 2022		At 04 May 2023	
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	40.33%	53,503,981	40.33%
Pageant Investments Limited	7,954,597	5.99%	7,954,597	5.99%
Sean O'Driscoll	4,342,000	3.27%	4,342,000	3.27%
Nick Furlong	3,982,825	3.00%	3,982,825	3.00%

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.

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 page 46 to 47 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 2022 (2021: 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$3m in 2022 (2021: US$2.4m), of which US$2.4m (2021: US$2.2m) 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 64 to 71.

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 2023 AGM.

Approval of Financial Statements

The Financial Statements were approved by the Board on 04 May 2023.

Signed on behalf of the Board.

Sean Corkery
Chief Executive Officer

Dan Creedon
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 Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework") and elected to prepare the Parent Company Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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.

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 '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 2022 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 significant accounting policies 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 significant accounting policies 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, 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 UNCERTAINTIES RELATED 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 ability to continue as a going concern. The Group incurred a loss for the year of US$11.46m for the financial year ended 31 December 2022 and, at that date, had net current liabilities of US$8.5m and net liabilities of US$9.3m respectively. As stated in Note 2.5, the Group and Parent Company operate in a competitive environment which continues to be impacted by macro-economic uncertainty, including the ongoing adverse impact of macro environment and geo-political risks (such as Covid-19, the conflict in Ukraine, rising oil prices and inflation). Covid-19 has had a significant adverse impact on the aviation industry to date and coupled with new emerging geo-political risks as outlined above, uncertainty remains as to when the industry will recover. 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 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.
Materiality	The materiality for the Group that we used in the current year was US$181k which was determined on the basis of revenue, representing 0.77% of this benchmark. The materiality for the Parent Company that we used in the current year was US$132k which was determined on the basis of issued share capital representing 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 6 components. 5 of these were subject to a full audit, whilst the remaining 1 was subject to an audit of specified 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	We have removed *“Classification of costs related to the capital raise”* as a key audit matter in the current financial year as no equity raise was completed in the current year. In the prior year, an additional component was subject to an audit of specified account balances however is now subject to analytical review procedures based on our assessment of risk in the component.

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.

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. 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 discusion of this key audit matter on page 69.
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 customers of the contracts in place during the year ended 31 December 2022. 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, 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 2022 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 including geo-political risks (such as Covid-19, the conflict in Ukraine, rising oil prices and inflation) on the Group and Parent Company's business as part of our audit risk assessment and planning and increased our focus 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 and impairment of product development costs assessments. There are a number of areas requiring the application of judgement and estimation techniques by management, such as revenue recognition, capitalisation and impairment of product development costs, and going concern, which creates additional risk of bias in accounting estimates. As noted within certain Key Audit Matters, during our 2022 audit we identified 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, directed and focused fraud criteria in our selection of journal entries processed during the reporting period for testing in the significant component ledgers, utilising data analytics tools. We performed a retrospective review of management's 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 specialists to assist in challenging the key judgements used in the cashflow forecasts as part of the going concern assessment. › We engaged our internal specialists to assist in challenging the key assumptions used as part of our assessment of Capitalisation of Product Development Costs and Carrying value of Product Development Costs, in particular to assess the discount rate. › In respect of revenue recognition, we independently obtained confirmations from customers of the contracts in place during the year ended 31 December 2022. 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$2.4m (2021: US$2.2m) during the year ended 31 December 2022. 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 auditor judgement and increased 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 discusion of this key audit matter on page 70.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the process and related 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 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 detailing cost per project, including timesheet data. We engaged our internal specialists to assist in challenging the key assumptions used in the cash flow forecasts, 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

Key audit matter description	As described in Note 5, at 31 December 2022, product development costs included in intangible assets had a carrying value of US$4.9m (2021: US$ 3.1m). Group management have developed a model to calculate the value in use of the capitalised product developments costs and to review the carrying value of capitalised product development costs. 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 auditor judgement and increased 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 discusion of this key audit matter on page 70.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the process and related 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 challenged the underlying revenue and cost assumptions 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 specialists to assist in challenging the key assumptions used in the cash flow forecasts, 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 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.

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$181k (2021: US$187k)	US$132k (2021: US$132k)
Basis for determining materiality	0. 77% 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% of Group materiality	90% of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. 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 b. the nature, volume and size of misstatements (corrected and uncorrected) in the previous audit.	

We agreed with the Audit & Risk Committee that we would report to the Committee all audit differences in excess of US$9,050 (2021: US$9,350), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk 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 an entity level basis, assessing components against the risk of material misstatement at the group level. Based on this assessment, we focussed our work on 6 components covering 100% of revenue and 99% of net assets. 5 of these were subject to a full audit, whilst the remaining 1 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 account balances on Datalex China Limited. In the prior year, an additional component was subject to an audit of specified account balances however is now subject to analytical review procedures based on our assessment of risk in the component.

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 2022, 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. 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 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, 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 as key audit matters related to the potential risk of fraud. 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 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 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 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 Company and the 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

04 May 2023

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.

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Consolidated Statement of Financial Position
for the year ended 31 December 2022

	Notes	2022	2021
		US$'000	US$'000
ASSETS			
Non current assets			
Property, plant and equipment	4	192	249
Intangible assets	5	4,891	3,669
Right-of-Use Assets	6	598	1,187
Deferred contract fulfilment costs	7	-	2,867
Contract acquisition costs	8	121	-
Trade and other receivables	10	118	319
Total non-current assets		**5,920**	**8,291**
Current Assets			
Contract acquisition costs	8	12	-
Trade and other receivables	10	1,979	3,951
Deferred contract fulfilment costs	7	131	-
Contract assets	10	1,132	722
Cash and cash equivalents	11	6,536	8,251
Total current assets		**9,790**	**12,924**
Total assets		**15,710**	**21,215**

On behalf of the Board.

Sean Corkery **Dan Creedon**
04 May 2023

Consolidated Statement of Financial Position
for the year ended 31 December 2022 (continued)

	Notes	2022	2021
		US$'000	US$'000
EQUITY			
Capital and reserves attribute to equity holders of the Company			
Issued ordinary share capital	12	13,267	13,215
Other issued equity share capital	12	262	262
Other reserves	13	38,838	37,604
Retained loss		(61,653)	(50,189)
Total equity		**(9,286)**	**892**
LIABILITIES			
Non current liabilities			
Borrowings	14	481	895
Provisions	15	162	464
Trade and other payables	16	6,047	5,531
Contract liabilities	17	-	4,419
Total non current liabilities		**6,690**	**11,309**
Current liabilities			
Borrowings	14	5,940	891
Provisions	15	117	523
Trade and other payables	16	6,387	3,999
Contract liabilities	17	5,676	3,414
Current income tax liabilities		186	187
Total current liabilities		**18,306**	**9,014**
Total equity and liabilities		**15,710**	**21,215**

On behalf of the Board.

Sean Corkery **Dan Creedon**
04 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 December 2022

	Notes	2022	2021
		US$'000	US$'000
Revenue from contracts with customers	18	23,537	25,473
Cost of sales	19	(17,136)	(13,256)
Gross profit		**6,401**	**12,217**
Selling and marketing costs	19	(513)	(417)
Administrative expenses	19	(17,472)	(15,361)
Net impairment gains on financial and contract assets	10	164	744
Impairment of assets	5,7	(454)	(106)
Other income	21	725	1,760
Other gains/(losses)	22	112	716
Operating loss		**(11,037)**	**(447)**
Finance costs	24	(367)	(4,350)
Loss before income tax		**(11,404)**	**(4,797)**
Income tax charge	9	(60)	(77)
Loss for the year		**(11,464)**	**(4,874)**
Loss per share (in US$ cents per share):			
Basic	25	(8.65)	(4.68)
Diluted	25	(8.65)	(4.68)

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2022

	Notes	2022	2021
		US$'000	US$'000
Loss for the financial year		**(11,464)**	**(4,874)**
Other comprehensive income:			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation adjustments:			
- Arising in the year	13	(209)	(142)
Total movement in items that may subsequently be reclassified to profit or loss		**(209)**	**(142)**
Comprehensive loss for the year		**(11,673)**	**(5,016)**

Consolidated Statement of Cash Flows
for the year ended 31 December 2022

	Notes	2022	2021
		US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	26	(3,341)	451
Income tax paid		(48)	(5)
Net cash (used in)/generated from operating activities		**(3,389)**	**446**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(126)	(119)
Proceeds from the sale of property, plant and equipment		8	23
Additions to intangible assets		(2,406)	(2,448)
Contract fulfilment cost payments		-	(4)
Contract acquisition costs - commission		(133)	-
Net cash used in investing activities		**(2,657)**	**(2,548)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (including share premium)	12 & 13	307	29,710
Costs of share placing paid		-	(1,363)
Proceeds from disposal of trust shares		-	275
Repayment of borrowings		-	(19,134)
Proceeds from borrowings		4,987	-
Costs paid on entering new leases and agreements for leases		-	(278)
Payment of interest on lease liabilities		(141)	(343)
Payment of capital on lease liabilities		(765)	(1,177)
Interest paid		(53)	(46)
Net cash generated from financing activities		**4,335**	**7,644**
Net (decrease)/increase in cash and cash equivalents		(1,711)	5,542
Foreign exchange loss on cash and cash equivalents		(4)	(316)
Cash and cash equivalents at beginning of year		8,251	3,025
Cash and cash equivalents at end of year	11	**6,536**	**8,251**

Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

	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 2021	**8,215**	**262**	**11,777**	**(43,952)**	**(23,698)**
Loss for the year	-	-	-	(4,874)	**(4,874)**
Other comprehensive loss	-	-	(141)	-	**(141)**
Total comprehensive loss for the year	**-**	**-**	**(141)**	**(4,874)**	**(5,015)**
Share based payments (Note 13)	-	-	983	-	**983**
Issue of ordinary shares on capital raise (Note 12)	5,000	-	-	-	**5,000**
Premium on shares issued (Note 13)	-	-	24,710	-	**24,710**
Share issuance costs	-	-	-	(1,363)	**(1,363)**
Disposal of trust shares (Note 12)	-	-	275	-	**275**
Balance at 31 December 2021	**13,215**	**262**	**37,604**	**(50,189)**	**892**
Balance at 1 January 2022	**13,215**	**262**	**37,604**	**(50,189)**	**892**
Loss for the year	-	-	-	(11,464)	**(11,464)**
Other comprehensive loss	-	-	(209)	-	**(209)**
Total comprehensive loss for the year	**-**	**-**	**(209)**	**(11,464)**	**(11,673)**
Share based payments (Note 13)	-	-	1,188	-	**1,188**
Issue of ordinary shares (Note 12)	52	-	-	-	**52**
Premium on shares issued (Note 13)	-	-	255	-	**255**
Balance at 31 December 2022	**13,267**	**262**	**38,838**	**(61,653)**	**(9,286)**

Company Statement of Financial Position
as at 31 December 2022

	Notes	2022	2021
		US$'000	US$'000
ASSETS			
Non current assets			
Investments in subsidiaries	28	-	-
Total non-current assets		-	-
Current Assets			
Trade and other receivables	10	116	204
Cash and cash equivalents	11	231	125
Total current assets		**347**	**329**
Total assets		**347**	**329**
EQUITY			
Capital and reserves attribute to equity holders of the company			
Issued ordinary share capital	12	13,267	13,215
Other issued equity share capital	12	262	262
Other reserves	13	77,953	76,510
Retained loss		(97,729)	(91,134)
Total equity		**(6,247)**	**(1,147)**
LIABILITIES			
Non current liabilities			
Provisions	15	162	464
Total non current liabilities		**162**	**464**
Current liabilities			
Borrowings	14	5,470	-
Provisions	15	93	267
Trade and other payables	16	869	745
Total current liabilities		**6,432**	**1,012**
Total equity and liabilities		**347**	**329**

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$6.6m (2021: US$12.2m).

On behalf of the Board.

Sean Corkery **Dan Creedon**
04 May 2023

Company Statement of Cash Flows
for the year ended 31 December 2022

	Notes	2022	2021
		US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	26	(339)	(2,150)
Loans to subsidiary undertakings		(4,834)	(7,037)
Net cash used in operating activities		**(5,173)**	**(9,187)**
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share placing	12 & 13	307	29,710
Cost of share placing paid		-	(1,363)
Repayment of shareholder loan		-	(19,134)
Proceeds from borrowings		4,987	-
Net cash generated from financing activities		**5,294**	**9,213**
Net increase in cash and cash equivalents		121	26
Foreign exchange (loss)/gain on cash and cash equivalents		(15)	7
Cash and cash equivalents at beginning of year		125	92
Cash and cash equivalents at end of year	11	**231**	**125**

Company Statement of Changes in Equity
for the year ended 31 December 2022

	Ordinary share capital	Other equity share capital	Other reserves	Retained loss	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2021	**8,215**	**262**	**50,817**	**(77,590)**	**(18,296)**
Loss for the year	-	-	-	(12,181)	**(12,181)**
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	**(12,181)**	**(12,181)**
Share based payments (Note 13)	-	-	983	-	**983**
Issue of ordinary shares on capital raise	5,000	-	-	-	**5,000**
Premium on shares issued (Note 13)	-	-	24,710		**24,710**
Share issuance costs	-	-	-	(1,363)	**(1,363)**
Balance at 31 December 2021	**13,215**	**262**	**76,510**	**(91,134)**	**(1,147)**
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 loss for the year	-	-	-	**(6,595)**	**(6,595)**
Share based payments (Note 13)	-	-	1,188	-	**1,188**
Issue of ordinary shares (Note 12)	52	-	-	-	**52**
Premium on shares issued (Note 13)	-	-	255		**255**
Balance at 31 December 2022	**13,267**	**262**	**77,953**	**(97,729)**	**(6,247)**

Notes to the Financial Statements
For the year ended 31 December 2022

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 04 May 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The Consolidated and Parent Company Financial Statements of Datalex plc have been prepared in accordance with 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 31 December 2022. The Consolidated Financial Statements are also prepared in compliance with the Companies Act, 2014. 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$') being the presentation 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 Statements.

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 after 1 January 2022, and have been applied in preparing these Financial Statements. The following Standards and Interpretations are effective for the Group and Parent Company in 2022 but do not have a material effect on the results or financial position of the Group or Parent Company:

- IAS 16 (Amendments) Property, Plant & Equipment (Effective 1 January 2022);
- IAS37 (Amendments) Provisions, Contingent Liabilities & Contingent Assets (Effective 1 January 2022);
- IFRS 3 (Amendments) Business Combinations (Effective 1 January 2022)

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 2023, and have not been applied in preparing these Financial Statements. The following standards and interpretations are not yet effective for the Group and Parent Company and are not expected to have a material effect on the results or financial position of the Group or Parent Company:

- IAS 1 (Amendments) Presentation of Financial Statements (Effective 1 January 2023)
- IAS 8 (Amendments) Accounting Policies, Changes in Accounting Estimates & Errors (Effective 1 January 2023)
- IAS 12 (Amendments) Income Taxes (Effective 1 January 2023)
- IFRS 17 Insurance Contracts (Effective 1 January 2023)

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 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 BASIS OF CONSOLIDATION

The Group Financial Statements consolidate the financial statement 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.

The results of subsidiary undertakings acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date of their acquisition or up to the date of their disposal. Where necessary, adjustments are made to the Financial Statements of the subsidiaries to bring their accounting policies into line with those used by the Group.

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 2022 is a period of twelve months from the date of approval of these Financial Statements.

The Group incurred a loss of US$11.5m in the year (2021: US$4.9m). At 31 December 2022, the Group had net liabilities of US$9.3m (2021: net assets of US$0.9m) and net current liabilities of US$8.5m (2021: net current assets of US$3.9m). The total decrease in cash was US$1.7m (2021: increase of US$5.5m) with a closing cash balance of US$6.5m at 31 December 2022 (US$3.5m as at 31 March 2023 per unaudited management accounts).

In adopting the going concern basis in preparing the Financial Statements, the Directors have considered the sources of finance available to the Group which include access to the equity markets, the credit facility available as part of the Third Amendment and Restatement Agreement between Datalex plc and Tireragh Limited (a €10m facility of which €9m has been drawn down at the date of the approval of the Financial Statements - "Facility B") and the Group's cash on hand. In evaluating cash flow needs, the Directors have taken into account the Group's commitments to customers and the working capital requirements for recent customer wins by the Group and potential new customers.

To prepare financial forecasts for the business is challenging as 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.

Those risks and uncertainties include but are not limited to:

- Conflict in Ukraine: While the majority of Datalex's customers do not fly into the directly affected areas there may be adverse impacts on the expected travel volumes across Europe and on Transatlantic routes.
- Oil Prices: Fluctuating oil prices could adversely impact the airline industry. Fuel surcharges and hedging may mitigate those impacts in the short term but the impact on Datalex's customers is uncertain.
- Covid-19 pandemic: Recovery from the pandemic is evident across the markets that Datalex's customers serve but the emergence of new variants and potential future localised lockdowns would have adverse impacts on travel.
- Inflationary pressures: The continuation of rates of inflation globally may have an adverse impact on travel as consumers disposable incomes reduce.
- Customer contract renewals: Key customers contracts of the Group were scheduled for renewal. At the time of finalisation of these Financial Statements all key customers which were scheduled for renewal at year end have renewed their contracts for multi-year terms. Furthermore, a number of customers were secured by the Datalex Group in the past two years. One customer, who entered Chapter 11 in the US during 2022, terminated their contract in March 2023 as part of their wider restructuring process under Chapter 11.

The Group has secured an extension from Tireragh Limited to repay all outstanding principal amounts and associated accrued interest under Facility B by 31 December 2024, which is more than twelve months from the date of approval of these Financial Statements. At the approval date of these Financial Statements the Group had drawn down €9m of the €10m available under the facility. Furthermore, the Board of Datalex plc has engaged its financial advisers to explore further fundraising options to support the expansion of the business as it returns to positive cashflow generation and further builds out its global customer base, as well as to secure capital to repay the debt facility. A capital markets event for analysts and investors has been scheduled for 10 May 2023.

The Directors recognise 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nevertheless, based on the assessment of the adequacy of the financial forecasts, the current funding facilities outlined including the extended repayment date of Facility B and the fundraising options available to the Group the Directors 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 has 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, 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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) Bundled performance obligations

License and services are treated as a bundled product offering where services significantly integrate, customise, or modify the on-premise software or cloud service to which they relate. Where this arises, the license and services are combined into one distinct bundle of products and services and treated as a single performance obligation.

A bundled performance obligation is recognised commencing on completion of implementation services or the go-live date, over the contract term as the license is considered to be the primary or dominant component of such bundled performance obligations. Where bundled performance obligations exist, either upon golive or on completion of implementation services, we commence revenue recognition on the bundled revenues pertaining to the completed implementation period.

As the measure of progress for revenue recognition we use an output measure, namely project tracking tools that allow both us and our customer to monitor and measure delivery of the various components underpinning the customised software. We consider that the use of such a system provides the most faithful depiction of our progress in satisfying the delivery of the bundled license and implementation services.

(c) 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 by the entity's performance as the entity performs, revenue from managed services performance obligations is recognised over time, on a rateable basis.

(d) Sale of Code

The Group may sell historic, no longer supported software code to customers where the customers require the software code to maintain their operations but it is no longer economic or feasible for Datalex to continue to support or develop the software code. The sale of the code could occur via granting of a perpetual unsupported licence for the software code or the transfer of the ownership of the Intellectual Property in its entirety to the customer. Revenue is recognised when control of the software is passed to the customer.

(e) 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 custumer 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 except where the services significantly customise, integrate or modify the software to which they relate or the licence and services are highly interdependent or interrelated, in which case it is treated as a bundled performance obligation and reported under Platform Revenue.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

We typically measure progress of our service arrangements using an input method, being labour days akin to percentage completion. Such a method of measuring progress faithfully depicts the transfer of services to the customer.

3. Consultancy revenue
Consultancy revenues derive 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 rateable 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
We frequently enter into new arrangements with existing customers. Such arrangements can be either a new contract or the modification of prior contracts with the customer. In making this determination, we consider: 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, we consider the guidance in IFRS 15 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 we enter into multiple contracts with the same customer, we treat for accounting purposes those contracts 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, we assess renewal options to determine if any provide a material right as defined in IFRS 15. See below for our policy in respect of material rights. We consider the impact of termination penalties 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", we will determine whether there is a termination penalty and whether that termination penalty is substantive.

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Our 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 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 good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

(a) Bundled performance obligations

Judgement is required to evaluate whether such services significantly integrate, customise, or modify the on-premises software or cloud service to which they relate. Non distinct products or services are combined into one distinct bundle of products and services and treated as a single performance obligation. This arises in instances where the extent of installation or configuration services significantly modify or customise the underlying software.

Judgment is required in determining if the license is considered to be the primary or dominant component of such bundled performance obligations. Where the licence is considered to be the dominant component, the revenue for the bundle is recognised over the contract term.

(b) Material rights

Where contracts provide customers with an option to acquire additional products or services, typically through a renewal option, we exercise judgement 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 we consider 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, we avail of a practical alternative in IFRS 15. This practical alternative enables us 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

We apply judgement in determining the amount to which we expect to be entitled 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, we consider our history both with the respective and comparable customers. Typically for Datalex 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, Datalex 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 our control that may impact the amount of variable consideration, such as robotic traffic or data mining tools, that may impact the volume of online traffic;
II. We have a history of providing the customer or similar customers with price concessions; and
III. Technological developments impacting our 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 our license transactions, customers pay variable fees based on products and services transacted through our 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 certain of our contracts where variable transaction fees apply, there are also guaranteed annual minimum license fees. Where such guaranteed fees exist, then, for purposes 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.

(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.

(d) Significant financing

Only very rarely do our contracts include significant financing components. We do not account for financing components if the period between when we transfer the promised products or services to the customer and when the customer pays for those products or services is one year or less.

Allocation of transaction price

The bases for the standalone selling prices ("SSP"s) that we use to allocate the transaction price of a customer contract to the performance obligations in the contract are outlined below. We review the estimates used for/ of standalone selling prices 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 licence

For contracts with customers where a performance obligation exists to provide a right to access a single Datalex product platform over time we use the residual method 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Multiple licences

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 licences. In making these judgments, we analyse various factors, 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 licence. As our market strategies evolve, we may modify pricing practices in the future which could result in changes to SSP.

In instances where there is an inherent discount in a contractual arrangement, prior to allocating the discount to the performance obligations in the contract, we consider 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

Our 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

For professional services, comprising post-go-live services and ad-hoc consulting, we price such offerings 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, we believe that 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.

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.

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, we measure progress using the method that best reflects our performance in satisfying the specific performance obligation and transferring control of the promised products or services to the customer. Our license is treated as a right to access, and license revenues are recognised rateably over time from the point at which the license is usable by the customer. For professional services we measure percentage of completion based on labour hours incurred to date as 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Please see below for more detail of the amortisation periods applied.

The Group does not have any indefinite-lived intangible assets.

(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 programmes are recognised as an expense as incurred.

(C) IMPAIRMENT

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate 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).

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 licence 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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on 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 cost 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.

Current tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates enacted or substantively enacted at the Statement of Financial Position date and taking into account any adjustments stemming from prior years. The Group's income tax charge reflects various allowances and reliefs and planning opportunities available in the tax jurisdictions in which the Group operates. The determination of the Group's charge for income tax in the Consolidated Statement of Profit & Loss requires estimates to be made, on the basis of professional advice, in relation to certain matters where the ultimate outcome may not be certain and where an extended period may be required before such matters are determined. The amount shown for current taxation reflects tax uncertainties and is based on the Directors' estimate of:

(i) the most likely amount; or
(ii) the expected value of the probable outflow of economic resources that will be required.

The estimates for income tax included in the Financial Statements are considered appropriate but no assurance can be given that the final determination of these matters will not be materially different to the estimates included in the Financial Statements. Whilst it is possible, the Group does not currently anticipate that any such differences could have a material impact on the income tax provision and profit for the period in which such a determination is made nor does it expect any significant impact on its financial position in the near term. This is based on the Group's knowledge and experience, as well as the profile of the individual components which have been reflected in the current tax liability, the status of the tax audits, enquiries and negotiations in progress at each yearend, previous claims and any factors specific to the relevant tax environments.

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.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 to 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. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, JSOP 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 15, the Group has implemented a longterm incentive plan which operates in a similar way to a longterm 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.

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 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 2022 was 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.

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2022 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.

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 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.

2.29 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.

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.30 GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Amounts are recognised as income over the periods necessary to match them with the related costs and are deducted in reporting the related expense.

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 at 31 December 2022 within the next financial year are discussed below.

Information about critical judgements and significant estimates in applying accounting policies that have the most significant impact on the amounts recognised in the Financial Statements are set out 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 licences exist), whether certain performance obligations should be bundled and the identification of material rights.

In 2021, it was determined that recent commercial arrangements entered into with HNA group airlines did not meet the requirements of Step 1 of IFRS 15 revenue recognition on the basis that the collection of the contract consideration was not deemed probable. As a result, revenue has been recognised on a cash receipts basis only for this customer during 2021 and 2022.

(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 is 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 is 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 2022 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) PROVISIONS

Legal and Compliance Costs

In 2019, the Group recognised a provision which related 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 share arose following the significant breakdown in internal financial controls as disclosed in the 2018 Annual Report.

Management has exercised judgement in arriving at the potential provision in respect of these issues. There is significant estimation uncertainty involved in determining this provision, and in particular including the extent of economic resources that will need to be deployed by the Group in order to bring the issues to a resolution and therefore the amount of any associated liabilities. These could result in material adjustments to the provision in the future. At this point, information usually required by IAS 37 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that such disclosure would seriously prejudice the position of the Group in resolving the legal and compliance matters to which provision relates.

Management notes that it may take a number of years for the Group to conclude on the associated legal issues arising from the past events. As a result, the balance included in the Financial Statements has been discounted to reflect the time value of money. The actual future economic outflows may be materially higher than those provided for.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(C) 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.

(D) 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 (C) 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.

(E) UNCERTAIN TAX POSITION
The Group has recognised a liability relating 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. Management has exercised judgement in arriving at the potential liability in respect of these issues. There is significant estimation uncertainty involved in determining this liability, and in particular including the extent of economic resources that will need to be deployed by the Group in order to bring the issues to a resolution and therefore the amount of any associated liabilities (including interest and penalties etc).

Management and its tax advisors are in discussions with relevant tax authorities in order to seek resolution of these uncertain tax positions. Whilst management is endeavouring to resolve these issues, it is unclear as to whether these matters will be fully resolved during 2023.

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
Year ended 31 December 2021				
Cost				
Opening Cost	508	1,173	1,317	**2,998**
Additions	-	119	-	**119**
Disposals	(115)	(627)	(160)	**(902)**
Foreign currency translation adjustment	-	5	2	**7**
Closing Cost	**393**	**670**	**1,159**	**2,222**
Accumulated Depreciation				
Opening Accumulated Depreciation	(439)	(1,070)	(980)	**(2,489)**
Depreciation charge	(45)	(72)	(209)	**(326)**
Disposals	110	585	147	**842**
Closing Accumulated Depreciation	**(374)**	**(557)**	**(1,042)**	**(1,973)**
Closing net book value	**19**	**113**	**117**	**249**
At 31 December 2021				
Cost	393	670	1,159	**2,222**
Accumulated depreciation	(374)	(557)	(1,042)	**(1,973)**
Closing net book value	**19**	**113**	**117**	**249**
Year ended 31 December 2022				
Cost				
Opening Cost	393	670	1,159	**2,222**
Additions	-	126	-	**126**
Disposals	(314)	(273)	(940)	**(1,527)**
Foreign currency translation adjustment	-	(8)	(2)	**(10)**
Closing Cost	**79**	**515**	**217**	**811**
Accumulated Depreciation				
Opening Accumulated Depreciation	(374)	(557)	(1,042)	**(1,973)**
Depreciation charge	(14)	(72)	(57)	**(143)**
Disposals	311	268	909	**1,488**
Foreign currency translation adjustment	-	7	2	**9**
Closing Accumulated Depreciation	**(77)**	**(354)**	**(188)**	**(619)**
Closing net book value	**2**	**161**	**29**	**192**
At 31 December 2022				
Cost	79	515	217	**811**
Accumulated depreciation	(77)	(354)	(188)	**(619)**
Closing net book value	**2**	**161**	**29**	**192**

4 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation of US$0.1m (2021:US$0.3m) has been charged in administration expenses in the Consolidated Statement of Profit and Loss. A loss on disposal of US$29k (2021: 36k) has been charged to administration expenses. The basis by which depreciation is calculated is stated in Note 2.12. Details of security provided in respect of Property, Plant and Equipment are disclosed in Note 14 and Note 31. The gross carrying amount of fully depreciated, Property and Equipment that is still in use as at 31 December 2022 was US$0.35m (2021:US$1.7m).

5 INTANGIBLE ASSETS

This note details the intangible assets utilised by the Group to generate revenues and contribution to recorded results. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software to use. The cost of product development primarily represents the direct labour costs incurred. All intangible assets are amortised over their estimated useful economic lives. Amortisation commences once the asset is available for use.

	Group			
	Software	Product development	Work in progress	Total
	US$'000	US$'000	US$'000	US$'000
At 1 January 2021				
Cost	731	391	842	1,964
Accumulated amortisation	(139)	(27)	-	(166)
Closing net book value	**592**	**364**	**842**	**1,798**
Year ended 31 December 2021				
Opening net book value	592	364	842	1,798
Additions	178	-	2,270	2,448
Transfers	-	850	(850)	-
Impairment charge	-	-	(106)	(106)
Amortisation charge	(247)	(224)	-	(471)
Closing net book value	**523**	**990**	**2,156**	**3,669**
At 31 December 2021				
Cost	909	1,241	2,156	4,306
Accumulated amortisation	(386)	(251)	-	(637)
Closing net book value	**523**	**990**	**2,156**	**3,669**
Year ended 31 December 2022				
Opening net book value	523	990	2,156	3,669
Additions	-	-	2,406	2,406
Transfers	-	3,950	(3,950)	-
Impairment charge	-	-	-	-
Amortisation charge	(186)	(998)	-	(1,184)
Closing net book value	**337**	**3,942**	**612**	**4,891**
At 31 December 2022				
Cost	887	5,191	612	6,690
Accumulated amortisation	(550)	(1,249)	-	(1,799)
Closing net book value	**337**	**3,942**	**612**	**4,891**

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
All intangible assets are amortised over their estimated useful economic lives and commences once the asset is available for use as stated in Note 2.9. Amortisation is recognised as an expense in the Consolidated Statement of Profit and Loss.

IMPAIRMENT
An impairment assessment was prepared which resulted in an impairment provision of US$nil (2021: US$0.1m) which has been recognised in the Consolidated Statement of Profit and Loss.

WRITE-OFF OF DEVELOPMENT EXPENDITURE INCURRED
An amount of US$3.0m (2021: US$2.4m) was incurred by the Group during the year ended 31 December 2022 in respect of development expenditure, of which US$2.4m (2021:US$2.2m) has been capitalised. An amount of US$0.4m (2021: US$0.6m) has been accrued for an R&D tax credit claim in respect of this expenditure at 31 December 2022.

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 2021				
Cost	2,386	1,126	32	3,544
Accumulated depreciation	(1,296)	(1,036)	(25)	(2,357)
Net carrying amount	**1,090**	**90**	**7**	**1,187**
Year ended 31 December 2021				
Opening carrying amount	4,276	312	26	4,614
Additions	589	-	-	589
Disposals	(3,244)	-	-	(3,244)
Depreciation charge for year	(531)	(222)	(19)	(772)
Closing carrying amount	**1,090**	**90**	**7**	**1,187**
Year ended 31 December 2022				
Opening Cost	**2,386**	**1,126**	**32**	**3,544**
Additions	-	-	11	11
Disposals	(164)	(239)	-	(403)
Foreign Currency Translation Adjustment	(28)	-	9	(19)
Closing Cost	**2,194**	**887**	**52**	**3,133**
Opening Accumulated Depreciation	**(1,296)**	**(1,036)**	**(25)**	**(2,357)**
Depreciation charge	(505)	(85)	(12)	(602)
Disposals	164	239	-	403
Foreign Currency Translation Adjustment	31	-	(10)	21
Closing Accumulated Depreciation	**(1,606)**	**(882)**	**(47)**	**(2,535)**
Closing carrying amount	**588**	**5**	**5**	**598**
At 31 December 2022				
Cost	2,194	887	52	3,133
Accumulated depreciation	(1,606)	(882)	(47)	(2,535)
Closing carrying amount	**588**	**5**	**5**	**598**

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

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

LEASE LIABILITIES

	Group			Total
	Office Buildings	Computer Equip	Motor Vehicles	
	US$'000	US$'000	US$'000	US$'000
At 1 January 2021	**(5,818)**	**(244)**	**(32)**	**(6,094)**
Translation adjustment	196	12	2	210
Additions	(589)	-	-	(589)
Disposals	764	-	-	764
Settlement*	2,762	-	-	2,762
Payments	1,344	139	24	1,507
Discount unwinding	(331)	(11)	(4)	(346)
Closing Cost	**(1,672)**	**(104)**	**(10)**	**(1,786)**
At 1 January 2022	**(1,672)**	**(104)**	**(10)**	**(1,786)**
Translation adjustment	76	7	1	84
Additions	-	-	(14)	(14)
Payments	801	88	17	906
Discount unwinding	(136)	(4)	(1)	(141)
Closing Cost	**(931)**	**(13)**	**(7)**	**(951)**

*During 2021, the Groups 100% subsidiary, Datalex Ireland Limited reached an agreement to terminate its head office lease early. The lease liability has been amended to reflect this change in lease team. The lease liability reduction was greater than the carrying value of the corresponding Right-of-Use Asset, (as a result of the differential in the year in the unwinding of the lease liability and Right-of-use Asset) a net credit of US$91k has been recorded as an exceptional item, see Note 23.

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 2022		As at 31 December 2021	
	Discounted	Undiscounted	Discounted	Undiscounted
	US$'000	US$'000	US$'000	US$'000
Within one year	470	542	891	1,213
Between one and two years	282	315	331	469
Between two and three years	123	137	306	333
Between three and four years	76	78	101	154
Between four and five years	-	-	101	90
After five years	-	-	56	-
Total	**951**	**1,072**	**1,786**	**2,259**

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:

	2022	2021
	US$'000	US$'000
Short-term leases	13	14
Total	**13**	**14**

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 2022	Group 2021
	US$'000	US$'000
At 1 January	2,867	2,863
Costs incurred to fulfil the ongoing customer contracts in the year	-	4
Costs impaired on amendment of customer contract (Note 23) [(1)]	(454)	-
Costs released upon fulfilment of customer performance obligations	(2,282)	-
At 31 December	**131**	**2,867**

	Group 2022	Group 2021
	US$'000	US$'000
Current		
Costs incurred to fulfil customer contract	131	-
Non-current		
Costs incurred to fulfil customer contract	-	2,867
Total	**131**	**2,867**

Deferred contract fulfilment costs arise from customer service contracts and comprise of staff and contractor/outsource partner costs incurred up to 31 December 2022. These costs are being deferred under IFRS 15 and will be recognised as the related performance obligations are fulfilled.

At 31 December 2022, the Directors are of the opinion that the contract fulfilment costs of US$0.1m (2021: US$2.9m) will be recovered through related future revenues and that deferral of such costs continues to be appropriate.

The deferred costs relate to an on-going implementation that went live in December 2022 and therefore the implementation is substantially complete.

(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$0.45m (2021: US$nil) represents costs incurred on these releases and capabilities prior to the contract being amended and has been classified as an exceptional item, further details of which are included in Note 23.

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

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 2022	Group 2021
	US$'000	US$'000
Cost		
At 1 January	977	977
Additions	137	-
Expiry of contractual relationship - previously capitalised costs	(977)	-
At 31 December	**137**	**977**
Accumulated Amortisation		
At 1 January	977	915
Amortisation charge	4	62
Expiry of contractual relationship - previously capitalised costs	(977)	-
At 31 December	**4**	**977**
Opening carrying amount	-	62
Closing carrying amount	**133**	-

The closing carrying amount is estimated to be amortised over the following period:

	Group 2022	Group 2021
	US$'000	US$'000
Less than one year	12	-
Between two and five years	50	-
Greater than five years	71	-
Total	**133**	-

9 INCOME TAX

(A) INCOME TAX

	Group Total 2022	Group Total 2021
	US$'000	US$'000
Current tax		
Irish Corporation tax for the year	-	-
Foreign Corporation tax for the year	(58)	(77)
Adjustments in respect of prior periods	(2)	-
Total current tax charge	**(60)**	**(77)**

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 2022	Group Total 2021
	US$'000	US$'000
Loss before income tax	(11,404)	(4,797)
Loss before tax multiplied by the standard rate of tax in the Republic of Ireland of 12.5%	(1,426)	(600)
Expenses not deductible and income not taxable	428	204
Utilisation of previously unrecognised tax losses	(480)	(122)
Difference in effective tax rates on overseas earnings	103	137
Tax losses for which no deferred tax asset was recognised	1,442	445
Adjustments in respect of previous periods	2	-
Other	(9)	13
Income tax charge	**60**	**77**

9 INCOME TAX (continued)

(B) DEFERRED TAX

Deferred tax assets have not been recognised in respect of the following:

	Group 2022 US$'000	Group 2021 US$'000
Unused tax losses	22,302	19,461
R&D credits available	1,382	1,509
Temporary differences	6	6
Total	**23,690**	**20,976**

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 2022	Group 2021	Company 2022	Company 2021
	US$'000	US$'000	US$'000	US$'000
Current trade and other receivables				
Trade receivables	3,917	6,051	-	-
Less: allowance for expected credit losses on trade receivables	(3,028)	(3,287)	-	-
Trade receivables – net	**889**	**2,764**	-	-
Contract assets	1,242	763	-	-
Less: allowance for expected credit losses on contract assets	(110)	(41)	-	-
Contract assets – net	**1,132**	**722**	-	-
Amounts owed by Group undertakings	N/A	N/A	45,626	26,377
Less: allowance for expected credit losses on amounts owed by Group undertakings	N/A	N/A	(45,626)	(26,377)
Amounts owed by Group undertakings – net	**N/A**	**N/A**	-	-
Prepayments	466	542	-	38
Research and development tax credit	266	302	-	-
VAT receivable	304	132	65	48
Other receivables	54	211	51	118
Total other receivables	**1,090**	**1,187**	**116**	**204**
Total current trade and other receivables and contract assets – net	**3,111**	**4,673**	**116**	**204**
Non-current trade and other receivables				
Research and development tax credit	118	319	-	-
Total non-current trade and other receivables	118	319	-	-
Total trade and other receivables and contract assets	**3,229**	**4,992**	**116**	**204**

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 the cash at bank balances included in Note 11. 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), and contract assets or lease receivables. 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 provision 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$2.4m invoiced to a customer upon termination of contract (2021: US$1.8m). 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 dependant on the successful outcome of the litigation proceedings.

The allowance for expected credit losses as at 31 December 2022 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 2022			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	Total 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**	-	**1**	**2,974**	**3,028**	**3,138**

10 TRADE AND OTHER RECEIVABLES (continued)

As at 31 December 2021			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	Total trade receivables	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
*Expected loss rate**	*5.4%*	*1.9%*	*5.4%*	*0.0%*	*0.0%*	*87.7%*	*54.3%*	*48.8%*
Gross carrying amount	763	1,063	1,347	-	-	3,641	6,051	6,814
Total balance subject to impairment review	**763**	**1,063**	**1,347**	**-**	**-**	**3,641**	**6,051**	**6,814**
Allowance for expected credit losses	**41**	**20**	**73**	**-**	**-**	**3,194**	**3,287**	**3,328**

* 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 2022 reconciles to the opening allowance for expected credit losses as follows:

	Contract assets 2022	2021	Trade receivables 2022	2021	2022	Total 2021
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January	**41**	**78**	**3,287**	**4,100**	**3,328**	**4,178**
Decrease in allowance for expected credit losses recognised in profit or loss during the year	69	(37)	(233)	(707)	(164)	(744)
Amounts written off	-	-	(26)	(106)	(26)	(106)
At 31 December	**110**	**41**	**3,028**	**3,287**	**3,138**	**3,328**

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 2022	Group 2021
	US$'000	US$'000
At 1 January	**3,328**	**4,178**
Movement in allowance for expected credit losses	(164)	(744)
Amounts written off	(26)	(106)
At 31 December	**3,138**	**3,328**

The decrease in the loss allowance in 2022 is due to a decrease in the year end Trade Debtor's balance and cash receipts from customers during 2022.

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 2022 and 2021, a significant portion of the trade receivables and contract assets of the Group related to a limited number of customers as follows:

	Group 2022	Group 2021
Customer A	63%	51%
Customer B	18%	31%
Customer C	1%	6%

(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 2022 or 31 December 2021 are disclosed in the note above.

10 TRADE AND OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade receivables and contract assets are denominated in the following currencies:

	Group 2022	Group 2021
	US$'000	US$'000
US dollar	1,204	2,718
Euro	3,671	4,070
Pound sterling	93	26
Swedish krona	67	-
Australian dollar	124	-
Total	**5,159**	**6,814**

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 2022	Group 2021	Company 2022	Company 2021
	US$'000	US$'000	US$'000	US$'000
Cash at bank and in hand	6,139	8,154	231	125
Short-term bank deposits less than 90 days	397	97	-	-
Cash and cash equivalents	**6,536**	**8,251**	**231**	**125**

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 (2021: 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.

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 2022	Group 2021	Company 2022	Company 2021
	US$'000	US$'000	US$'000	US$'000
Euro	1,984	4,417	207	125
Pound sterling	562	106	24	-
Chinese renminbi	16	100	-	-
Australian Dollar	6	-	-	-
Total	**2,568**	**4,623**	**231**	**125**

The Group does not have any bank overdrafts at the year end date (2021: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

	2022	2021
	US$'000	US$'000
Equity share capital		
200,000,000 ordinary shares of US$0.10 each (2021: 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**

12 SHARE CAPITAL (CONTINUED)

ISSUED SHARE CAPITAL – GROUP AND COMPANY

	Ordinary shares No. of shares	Ordinary (*"A" and "B"*) shares	*Convertible redeemable shares No. of shares*	Convertible redeemable shares	*Deferred shares No. of shares*	Deferred shares
	'000	US$'000	*'000*	US$'000	*'000*	US$'000
At 1 January 2021	**82,154**	**8,215**	**2,542**	**254**	**30**	**8**
Issued during the year	50,000	5,000	-	-	-	-
At 31 December 2021	**132,154**	**13,215**	**2,542**	**254**	**30**	**8**
At 1 January 2022	**132,154**	**13,215**	**2,542**	**254**	**30**	**8**
Employee share option scheme - proceeds from share issues	523	52	-	-	-	-
At 31 December 2022	**132,677**	**13,267**	**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. In 2021, the Company announced that it had raised proceeds of €25 million by way of the Placing of 50 million new Ordinary Shares, at a price of €0.50 per share. The issued shares are presented as share capital.

"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.

TREASURY SHARES
As set out in Note 13, The Datalex Employee Benefit Trust had an interest over 590,000 ordinary shares at 31 December 2020. All treasury shares were disposed of during 2021. These shares did not have an entitlement to receive dividends.

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 activity in the 2012 Group Share Option Scheme is summarised in the following table:

	2022 No. of shares	2022 Weighted average exercise price (US$)	2021 No. of shares	2021 Weighted average exercise price (US$)
Outstanding at beginning of year	**341,450**	**1.72**	**1,491,450**	**1.48**
Issued during the year	-	-	-	-
Exercised during the year(1)	(50,000)	0.45	-	-
Forfeited during the year	(151,667)	1.81	(1,150,000)	1.35
Outstanding at end of year	**139,783**	**1.61**	**341,450**	**1.72**

(1) The weighted average market share price at the date of exercise was US$0.48.

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	30,000	15
US$1.01 to US$1.25	-	-
US$1.26 to US$1.5	15,000	24
Over US$1.50	94,783	35
Total	**139,783**	31

The charge for the year ended 31 December 2022 in relation to share options issued under the 2012 scheme was US$nil. (2021: US$10,752).

EMPLOYEE SHARE OPTIONS SCHEME – 2020 SCHEME

On 2 December 2020, a new share option plan 'Datalex Long Term Incentive Plan 2020' was implemented. Under the 2020 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 activity in the 2020 Group Share Option Scheme is summarised in the following table:

	2022 No. of shares	2022 Weighted average exercise price (US$)	2021 No. of shares	2021 Weighted average exercise price (US$)
Outstanding at beginning of year	**2,541,667**	**0.67**	**2,975,000**	**0.67**
Issued during the year	5,549,201	0.79	-	-
Exercised during the year[1]	(473,166)	0.57	-	-
Forfeited during the year	(1,053,360)	0.58	(433,333)	0.65
Outstanding at end of year	**6,564,342**	**0.67**	**2,541,667**	**0.67**

(1) The weighted average market share price at the date of exercise was US$0.60.

During 2022, there were 5.5m options granted under this scheme. The fair value of the options granted during 2022 were determined using the Black Scholes model amounted to US$2,767,947. The weighted average fair value per option granted in 2022 was US$0.78. The significant inputs into this model were share prices (range €0.55 - €0.95) 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 (range 1.09% - 4.12%, 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 (range 145% - 146%). 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	1,971,611	100
US$0.71 to US$0.90	4,592,731	112
Over US$0.90	-	-
Total	**6,564,342**	**109**

The charge for the year ended 31 December 2022 in relation to share options issued under the 2020 scheme was US$963k (2021: US$854k).

JOINT SHARE OWNERSHIP PLAN

In January 2012, the Board of Directors approved the establishment of a Joint Share Ownership Plan ("JSOP"). The scheme was intended to incentivise senior management in the Group (excluding Executive Directors) towards the achievement of challenging performance targets for Adjusted EBITDA and cash generation during the years ending 31 December 2013 and 31 December 2014. Under the plan, the participants and an Employee Benefit Trust established by Datalex (Ireland) Limited jointly acquired 1.56m awards of existing stock at the open market price (€0.39 per award). Subject to meeting the performance conditions for Adjusted EBITDA and cash and short-term investments, the awards vested in two equal tranches on 31 December 2013 and 2014, respectively.

12 SHARE CAPITAL (continued)

	2022 No. of shares	2022 Weighted average exercise price (US$)	2021 No. of shares	2021 Weighted average exercise price (US$)
Outstanding at beginning of year	-	-	**300,000**	**0.48**
Issued during the year	-	-	-	-
Exercised during the year (1)	-	-	(300,000)	0.46
Forfeited during the year	-	-	-	-
Outstanding at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-

(1) The weighted average market share price at the date of exercise was US$0.46.

There was no charge in the years ended 31 December 2022 or 2021 in relation to the JSOP scheme.

During 2021, steps were taken to wind-down the trust and all shares were disposed of.

DEFERRED SHARE SCHEME

The 130,000 JSOP awards forfeited in 2014, which were returned back to the Employee Benefit Trust, were re-issued in 2015 to a new senior management team member under the Deferred Share Scheme. According to the rules of the scheme, the shares vested in 2018 but the employee left in 2019 and the awards were forfeited and returned to the trust again.

The forfeited shares were sold during 2021 as part of the wind-up exercise of the trust.

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. 46 employees availed of the scheme in 2022 (2021: 51). The scheme will last three years and employees may choose to purchase shares at a fixed price set at the start.

The total expected cost of the SAYE scheme is estimated at $677k of which $225k has been recognised in the consolidated income statement (2021: $119k). The remaining $333k will be charged against the Consolidated Statement of Profit and Loss over the remainder of the three year vesting period.

	2022 No. of shares	2022 Weighted average exercise price (US$)
Outstanding at beginning of year	**1,084,232**	0.66
Issued during the year	-	-
Exercised during the year	-	-
Forfeited during the year	(56,768)	0.58
Outstanding at end of year	**1,027,464**	**0.58**
Exercisable at end of year	-	-

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	Treasury shares reserve	Share-based payments reserve	Other reserves	Foreign currency translation	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2021	**6,594**	**134**	**(249)**	**4,294**	**1,011**	**(7)**	**11,777**
Share-based payments cost	-	-	-	983	-	-	983
Premium on shares issued	24,710	-	-	-	-	-	24,710
Disposal of Trust shares	-	-	203	-	72	-	275
Currency translation differences	-	-	46	-	-	(187)	(141)
Balance at 31 December 2021	**31,304**	**134**	**-**	**5,277**	**1,083**	**(194)**	**37,604**
Balance at 1 January 2022	**31,304**	**134**	**-**	**5,277**	**1,083**	**(194)**	**37,604**
Share-based payments cost	-	-	-	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**

SHARE PREMIUM

In 2022, share premium arises on the issue of new Ordinary shares under share option schemes (see Note 12).

In 2021, the Group announced that it had raised gross proceeds of €25 million by way of the Placing of 50 million new Ordinary Shares, at a price of €0.50 per share.

TREASURY SHARE RESERVE

Treasury shares reserves represent the balance of Datalex plc Ordinary Shares held by The Datalex Employee Benefit Trust. All treasury shares were disposed of during 2021.

SHARE-BASED PAYMENT RESERVE

The share-based payments reserve comprises amounts expensed in the Consolidated Statement of Profit and Loss in connection with awards made under the equity-settled share-based plans, being the share option schemes, the JSOP and deferred share awards (see Note 12).

13 OTHER RESERVES (continued)

OTHER RESERVES

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 the 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.

Company	Share premium	Share-based payments reserve	Total
	US$'000	US$'000	US$'000
Balance at 1 January 2021	**46,523**	**4,294**	**50,817**
Share-based payments (Note 12)	-	983	983
Premium on shares issued	24,710	-	24,710
Balance at 31 December 2021	**71,233**	**5,277**	**76,510**
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

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 2022 US$'000	Group 2021 US$'000
Lease liabilities	951	1,786
Secured loan	5,470	-
Total borrowings	**6,421**	**1,786**
Disclosed as		
Current	5,940	891
Non-current	481	895
Total borrowings	**6,421**	**1,786**

IFRS 16 LEASE LIABILITIES

Included in lease liabilities above are the following amounts:

	Group 2022 US$'000	Group 2021 US$'000
Current	470	891
Non-current	481	895
Total lease liabilities	**951**	**1,786**

The carrying amounts of the Group's lease liabilities are denominated in the following currencies:

	Group 2022 US$'000	Group 2021 US$'000
US dollar	437	669
Euro	105	457
Pound sterling	409	560
Chinese renminbi	-	100
Total	**951**	**1,786**

14 BORROWINGS (continued)

RELATED PARTY SECURED LOAN

	Group & Company 2022	Group & Company 2021
	US$'000	US$'000
Current	5,470	-
Non-current	-	-
Total loan liability	**5,470**	-

On 28 May 2021, Tireragh entered into the Second Amendment and Restatement Agreement with the Company under which the Company and Tireragh 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 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.

This Facility required 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, 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 with respect to the Second 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 with respect to the Second 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 with respect to the Second Facility;
(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 with respect to the Second Facility; and
(vi) Requirements to adhere to certain financial covenants, as outlined below:

The key financial covenants pertaining to the loan facility 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 Second Amendment and Restatement Agreement provides that unless and until a loan is outstanding, the obligations relating to (i) non-compliance with financial covenants and (ii) cross default will not apply but must be satisfied in advance of any drawdown under Facility B.

The Second Amendment and Restatement Agreement was approved by shareholders on 1 July 2021 and, following completion of the Capital Raise, the Company repaid all amounts outstanding under the Facility, including capitalised interest costs and financing fees associated with the Facility. The Company continues to have access to the Facility B credit facility of up to €10 million as described above. At 31 December 2022, €5m had been drawn down under Facility B.

A further €4m of this facility was drawn down in March 2023. On 11 April 2023, Tireragh 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 from 30 June 2023 out to 31 December 2024, providing the Group with further financial flexibility. 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 will increase from 10 per cent per annum to 15.5 per cent per annum with immediate effect (11 April 2023), increasing to 16.5 per cent per annum from 1 July 2023 and increasing to 18 per cent per annum from 1 October 2023. 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.

14 BORROWINGS (continued)

At the year end date, the loan balance payable under the loan Facility (which is denominated in euro) was comprised of:

	Group & Company 2022 US$'000	Group & Company 2021 US$'000
Drawdown	4,987	12,405
Repayment	-	(19,134)
Debt issuance costs	-	(3,934)
Debt issuance costs - amortisation	-	3,934
Interest charges	129	2,332
Loan facility fees	-	3,362
Foreign exchange	354	1,035
	5,470	-

15 PROVISIONS

	Group 2022 US$'000	Group 2021 US$'000
Current		
Regulatory costs compliance	93	267
Dilapidation costs	-	256
Onerous contract	24	-
Total Current	117	523
Non-Current		
Regulatory costs compliance	162	464
Total Non-Current	162	464
Total Provisions	**279**	**987**

15 PROVISIONS (continued)

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 2022	Group & Company 2021
	US$'000	US$'000
At 1 January	**731**	**1,023**
Released in the year	(412)	(120)
Used in the year	-	(198)
Foreign exchange	(64)	26
At 31 December	**255**	**731**

During the year, a portion of the provision was released to Consolidated Statement of Profit and Loss and is presented within exceptional items (Note 23) in line with the original accounting treatment for the provision in prior periods.

15 PROVISIONS (continued)

B. DILAPIDATION COSTS

	Group 2022 US$'000	Group 2021 US$'000
At 1 January	**256**	-
Used in the year	**(256)**	-
Charged to the statement of profit or loss	-	256
At 31 December	**-**	**256**

In accordance with the termination of the Datalex Ireland Limited lease agreement, a dilapidations provision has been recognised to cover costs required to satisfy the terms of the full repair lease and this provision has been fully used in the year.

C. ONEROUS CONTRACTS

	Group 2022 US$'000	Group 2021 US$'000
At 1 January	-	-
Charged to the statement of profit or loss	24	-
At 31 December	**24**	**-**

One customer contract has been identified as loss making. Expected future losses on this contract have been provided for in full. The contract is expected to complete in 2023.

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 2022	Group 2021	Company 2022	Company 2021
	US$'000	US$'000	US$'000	US$'000
Current trade and other payables				
Trade payables	3,650	632	400	54
Accruals	1,685	2,848	469	691
Pension contributions	117	146	-	-
Social security and other taxes	877	279	-	-
VAT payable	34	67	-	-
Other payables	24	27	-	-
Total current trade and other payables	**6,387**	**3,999**	**869**	**745**
Non-current trade and other payables				
Social security and payroll taxes	6,047	5,531	-	-
Total non-current trade and other payables	**6,047**	**5,531**	-	-
Total trade and other payables	**12,434**	**9,530**	**869**	**745**

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$6.0m (2021 : US$5.3m) in relation to balances owing as part of the Revenue Debt Warehousing Scheme which the Group availed of during the Covid-19 pandemic. It is the intention of the Group to agree a Phased Payment Arrangement with the Irish Revenue Commissioner in advance of the May 2024 and to begin repaying the warehoused balance in May 2024. Interest will apply to outstanding balances at a 3% rate from 1 May 2023.

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	Group 2022	Group 2021
	US$'000	US$'000
US dollar	614	267
Euro	2,932	302
Pound sterling	100	39
Other	4	24
Total	**3,650**	**632**

16 TRADE AND OTHER PAYABLES (continued)

The carrying amounts of the Company's trade payables are denominated in the following currencies:

	Company 2022 US$'000	Company 2021 US$'000
US dollar	36	33
Euro	352	13
Pound sterling	12	1
Other	-	7
Total	**400**	**54**

17 CONTRACT LIABILITIES

Contract liabilities represent amounts received from customers in advance of delivery of the contractual performance obligations.

	Group 2022 US$'000	Group 2021 US$'000
Advances for bundled performance obligations	-	4,419
Advances for services performance obligations	1,263	1,238
Advances for platform performance obligations	4,413	2,176
Total	**5,676**	**7,833**
Current	**5,676**	**3,414**
Non-current	**-**	**4,419**

The amount disclosed in "Advances for bundled performance obligations" in the prior year relates to delivery contract which was amended during 2022. Following the amendment the performance obligations are no longer deemed to be bundled.

The details of revenue recognised in 2022 arising from balances included in Contract Liabilities on 1 January 2022 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 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.

18 SEGMENTAL INFORMATION (continued)

The ELT reviews business performance from a product and service perspective. In 2022 and 2021, 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.

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 deferred commission 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 segment information provided to the ELT for the reportable segments for the year ended 31 December 2022 is as follows:

Group	2022 E-Business	2022 TPF Consulting	2022 Total	2021 E-Business	2021 TPF Consulting	2021 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue from contracts with customers	22,325	1,212	23,537	23,940	2,175	26,115
Inter-segment revenue	-	-	-	-	(642)	(642)
External revenue	**22,325**	**1,212**	**23,537**	**23,940**	**1,533**	**25,473**
Adjusted EBITDA	**(5,651)**	**313**	**(5,338)**	**1,959**	**476**	**2,435**
Share-based payments cost	(1,188)	-	(1,188)	(983)	-	(983)
EBITDA	**(6,839)**	**313**	**(6,526)**	**976**	**476**	**1,452**
Depreciation	(733)	(12)	(745)	(1,075)	(23)	(1,098)
Amortisation	(3,470)	-	(3,470)	(533)	-	(533)
Operating (loss)/ profit before exceptional items	**(11,042)**	**301**	**(10,741)**	**(632)**	**453**	**(179)**
Exceptional items (Note 23)	(296)	-	(296)	(268)	-	(268)
Operating (loss)/ profit after exceptional items	**(11,338)**	**301**	**(11,037)**	**(900)**	**453**	**(447)**
Finance costs	(362)	(5)	(367)	(4,344)	(6)	(4,350)
(Loss)/ profit before income tax	**(11,700)**	**296**	**(11,404)**	**(5,244)**	**447**	**(4,797)**
Income tax expense	(6)	(54)	(60)	(77)	-	(77)
(Loss)/ profit for the year	**(11,706)**	**242**	**(11,464)**	**(5,321)**	**447**	**(4,874)**

18 SEGMENTAL INFORMATION (continued)

A reconciliation of adjusted EBITDA and foreign currency adjusted EBITDA to loss before income tax is provided as follows:

	Group 2022 US$'000	Group 2021 US$'000
Adjusted EBITDA	(5,338)	2,435
Depreciation	(745)	(1,098)
Amortisation – development costs	(998)	(224)
Amortisation – software	(186)	(247)
Amortisation – contract acquisition costs	(4)	(62)
Amortisation – deferred fulfilment costs	(2,282)	-
Finance costs	(367)	(4,350)
Share-based payments cost	(1,188)	(983)
Exceptional items (Note 23)	(296)	(268)
Loss before income tax	**(11,404)**	**(4,797)**

	Group 2022 US$'000	Group 2021 US$'000
Adjusted EBITDA	(5,338)	2,435
Foreign exchange	90	(1,046)
Foreign Currency Adjusted EBITDA	**(5,248)**	**1,389**

Foreign currency adjusted EBITDA is defined as Adjusted EBITDA 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.

We present this measure because we believe that the measure 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	2022 E-Business	2022 TPF Consulting	2022 Total	2021 E-Business	2021 TPF Consulting	2021 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Reportable segment assets:						
Intangible assets						
- Product development	4,554	-	4,554	3,146	-	3,146
- Software	337	-	337	523	-	523
Contract acquisition costs	133	-	133	-	-	-
Other assets	7,844	2,842	10,686	14,785	2,761	17,546
Total reportable segment assets	**12,868**	**2,842**	**15,710**	**18,454**	**2,761**	**21,215**

Group	2022 E-Business	2022 TPF Consulting	2022 Total	2021 E-Business	2021 TPF Consulting	2021 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Reportable segment liabilities:						
Current	(17,988)	(318)	(18,306)	(8,692)	(323)	(9,015)
Non-current	(6,682)	(8)	(6,690)	(11,296)	(12)	(11,308)
Total reportable segment Liabilities	**(24,670)**	**(326)**	**(24,996)**	**(19,988)**	**(335)**	**(20,323)**

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	2022 E-Business	2022 TPF Consulting	2022 Total	2021 E-Business	2021 TPF Consulting	2021 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Platform revenue	11,075	-	11,075	13,288	-	13,288
Professional services	11,250	-	11,250	8,477	-	8,477
Consultancy	-	1,212	1,212	-	1,533	1,533
Other revenue	-	-	-	2,175	-	2,175
Total revenue from contracts with customers	**22,325**	**1,212**	**23,537**	**23,940**	**1,533**	**25,473**

18 SEGMENTAL INFORMATION (continued)

	Group 2022	Group 2021
	US$'000	US$'000
Americas	11,647	14,952
Asia – Pacific	2,841	4,667
Other European	5,730	2,678
Ireland	2,418	2,754
UK	901	422
Total revenue from contracts with customers	**23,537**	**25,473**

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 2022[1]	Group 2021[1]
Customer A	37%	43%
Customer B	17%	0%
Customer C	13%	0%
Customer D	9%	9%
Customer E	7%	14%
Customer F	3%	7%
Customer G	0%	8%

Customers whose revenue balance represents 5% or more of the total revenue balance at 31 December 2022 or 31 December 2021 are disclosed in the note above.

	Group 2022	Group 2021
	US$'000	US$'000
Trade receivables (Note 10)	889	2,764
Contract assets (Note 10)	1,132	722
Contract liabilities (Note 17)	(5,676)	(7,833)

18 SEGMENTAL INFORMATION (continued)

TRADE RECEIVABLES
Trade receivables are non-interest bearing and are generally on terms of 30 days.

E-Business
In 2022, US$2.9m (2021: US$3.3m) was recognised as an allowance for expected credit losses on trade receivables.

TPF
In 2022, US$0.01m (2021: US$nil) 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 customer 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 2022, US$$0.1m (2021: US$0.1m) was recognised as an allowance for expected credit losses on contract assets.

TPF
In 2022, US$nil (2021: US$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 decrease in contract liabilities in 2022 is due to the recommencement of an implementation project which was paused during the Covid-19 pandemic and subsequent recognition of revenue from prior advances by that customer as the implementation project was progressed throughout 2022.

E-Business
US$6.2m revenue from contracts with customers was recognised in 2022 (2022: US$4.8m) in respect of amounts included in contract liabilities at the beginning of the year.

TPF
US$nil revenue from contracts with customers was recognised in 2022 (2021: US$nil) in respect of amounts included in contract liabilities at the beginning of the year.

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 2022 was US$38.9m (2021: US$25m). This total largely comprises obligations to provide professional services to customers and deliver customised or bundled 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 2022, there are no remaining performance obligations.

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

19 EXPENSES BY NATURE

This note provides additional detail on the nature of the expenses incurred and recorded by the Group.

	2022 before exceptional items	2022 exceptional items (Note 23)	2022 after exceptional items	2021 before exceptional items	2021 exceptional items (Note 23)	2021 after exceptional items
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Employee benefit expense (Note 20) - net of capitalisation	17,679	-	17,679	17,467	-	17,467
Consultants and contractors - net of capitalisation	5,770	-	5,770	3,062	-	3,062
Other staff costs	872	-	872	335	-	335
Amortisation - development costs (Note 5)	998	-	998	224	-	224
Amortisation - software (Note 5)	186	-	186	247	-	247
Amortisation - deferred fulfilment costs (Note 7)	2,282	-	2,282	-	-	-
Deferred commission amortisation (Note 8)	4	-	4	62	-	62
Office costs	338	-	338	564	-	564
Hosting	1,470	-	1,470	1,429	-	1,429
Professional fees	1,093	(158)	935	683	301	984
Travel	394	-	394	87	-	87
Depreciation - PP&E (Note 4)	143	-	143	326	-	326
Depreciation - Right of Use Assets (Note 6)	602	-	602	772	-	772
Net impairment losses on financial and contract assets (Note 10)	(164)	-	(164)	(744)	-	(744)
Impairment of assets (Notes 5&7)	-	454	454	106	-	106
Third party services	700	-	700	175	-	175
Communication	90	-	90	122	-	122
Software maintenance and other online charges	825	-	825	831	-	831
Insurance	642	-	642	523	-	523
Advertising and marketing	513	-	513	401	-	401
Company secreterial	270	-	270	342	-	342
Other	408	-	408	1,114	(33)	1,081
Total cost of sales, selling and marketing costs, impairment losses on contract and trade receivables, administrative and exceptional expenses	35,115	296	35,411	28,128	268	28,396
Other gains	(112)	-	(112)	(716)	-	(716)
Total operating costs	**35,003**	**296**	**35,299**	**27,412**	**268**	**27,680**
Disclosed as:						
Cost of sales	17,136	-	17,136	13,256	-	13,256
Selling and marketing costs	513	-	513	417	-	417
Administrative expenses	17,630	(158)	17,472	15,093	268	15,361
Net impairment losses on financial and contract assets	(164)	-	(164)	(744)	-	(744)
Impairment of assets	-	454	454	106	-	106
Other gains	(112)	-	(112)	(716)	-	(716)
Total operating costs	**35,003**	**296**	**35,299**	**27,412**	**268**	**27,680**

19 EXPENSES BY NATURE (continued)

REMUNERATION TO GROUP EXTERNAL AUDITOR

During the year the Group obtained the following services from the Group's auditor:

Company	2022	2021
	US$'000	US$'000
Fees payable to the entity's statutory auditors in respect of:		
(a) the audit of entity Financial Statements	12	12
(b) other assurance services	480	543
(d) other non-audit services	-	238
Total	**492**	**793**

Group	2022	2021
	US$'000	US$'000
Fees payable to the entity's statutory auditors in respect of:		
(a) the audit of Group Financial Statements	480	543
(b) other assurance services	12	12
(d) other non-audit services	-	238
Total	**492**	**793**

20 EMPLOYEE BENEFIT EXPENSE

	Group 2022	Company 2022	Group 2021	Company 2021
	US$'000	US$'000	US$'000	US$'000
Wages and salaries	14,898	-	15,492	-
Social security costs	1,501	-	1,493	-
Pension costs – defined contribution schemes	673	-	666	-
Employee benefit expense before capitalisation	**17,072**	-	**17,651**	-
Capitalised labour	(581)	-	(1,167)	-
Employee benefit expense after capitalisation	**16,491**	-	**16,484**	-
Share-based payments cost / (credit) (Note 13)	1,188	-	983	-
Total	**17,679**	-	**17,467**	-

	Group 2022	Company 2022	Group 2021	Company 2021
Total employee expense before capitalisation	18,260	-	18,634	-
Capitalisation	(581)	-	(1,167)	-
Amount charged to Profit or Loss	**17,679**	-	**17,467**	-

The average number of persons employed by the Group (including Executive Directors) during the year analysed by category was as follows:

	Group 2022	Company 2022	Group 2021	Company 2021
Product development and delivery	112	-	113	-
Sales and marketing	8	-	5	-
Administration	35	-	22	-
Total	**155**	-	**140**	-

The total number of persons employed by the Group (including Executive Directors) at 31 December 2021 was 161 (2021: 142).

No staff were employed by the PLC Company at 31 December 2022 and 2021.

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$673,000 in respect of 2022 (2021: US$ US$666,000), of which US$117,000 was accrued at the year-end (2021: US$146,000).

Details of Directors' remuneration can be found in the Remuneration Report (see pages 72 to 87).

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

21 OTHER INCOME

This note details sundry income.

	Group 2022 US$'000	Group 2021 US$'000
Customer recharges	278	390
Sublease income	228	148
Grant income	-	17
Subsidy received	219	1,205
Total	**725**	**1,760**

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.

Grant income relates to Enterprise Ireland grants received.

22 OTHER GAINS & LOSSES

	Group 2022 Before exceptional items US$'000	Group 2022 Exceptional items (Note 23) US$'000	Group 2022 After exceptional items US$'000	Group 2021 Before exceptional items US$'000	Group 2021 Exceptional items (Note 23) US$'000	Group 2021 After exceptional items US$'000
Net foreign exchange gains	112	-	112	716	-	716
Total	**112**	**-**	**112**	**716**	**-**	**716**

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 2022	Group 2021
	US$'000	US$'000
Professional fees in relation to investigations, business transformation programme and litigation procedures	249	395
Release of provision for costs associated with complying with regulatory investigations	(412)	(94)
Termination of Dublin office Block U Lease - Right-of-Use Asset	-	(91)
Provision for dilapidation costs associated with the Termination of Dublin office lease	5	256
Termination of UK office Lease - Right-of-Use Asset	-	(198)
Deferred fulfillment costs impairment	454	-
Total	**296**	**268**

Exceptional items:

Professional fees in relation to investigations, business transformation programme and litigation procedures
During 2022, the Group incurred additional professional fees relating to previously disclosed exceptional items. The costs incurred in 2022 primarily relate to professional legal fees relating to the ongoing Lufthansa and Swiss Airlines contractual dispute.

Costs associated with complying with regulatory investigation
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 the current year relates to a release upon review of the provision assumptions by management.

Termination of Dublin office Block U Lease - Right-of-Use Asset
During 2021, the Groups 100% owned subsidiary, Datalex Ireland Limited reached an agreement to terminate the office lease early. This resulted in a termination notice fee being paid and a recalculation of the Lease Liability in line with the reduced term of the lease. As the Lease liability reduction was greater than the Net Book Value of the corresponding Right-of-Use Asset (as a result of the differential in the year in the unwinding of the lease liability and Right-of-Use Asset), a net credit (US$91k) was recorded as an exceptional one-off item.

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$256k) was recognised at 31 December 2021 to cover costs required to satisfy the terms of the full repair lease. An additional US$5k above the amount provided for was incurred in satisfying these terms during 2022.

Termination of UK office Lease - Right-of-Use Asset
During 2021, the Groups 100% owned subsidiary, Datalex Solutions (UK) Limited, entered into a new office lease agreement, and surrendered its existing agreement. This resulted in a recalculation of the surrendered lease liability. As the Lease liability reduction was greater than the Net Book Value of the corresponding Right-of-use asset (as a result of the differential in the year in the unwinding of the lease liability and Right-of-use asset), a net credit (US$198k) was recorded as an exceptional one-off item.

Deferred fulfillment costs impairment
During 2022, a customer contract, for which fulfillment costs had 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$0.45m (2021: US$nil) represents costs incurred which had been deferred on these releases and capabilities prior to the contract being amended.

24 FINANCE COSTS

This note details the expense incurred on our financial liabilities.

	Group 2022	Group 2021
	US$'000	US$'000
Shareholder's loan interest & amortisation	(173)	(3,962)
Interest on lease liabilities	(141)	(343)
Other interest net	(53)	(45)
Net finance cost	**(367)**	**(4,350)**

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 2022	Group 2021
Loss attributable to ordinary shareholders (US$'000)	(11,464)	(4,874)
Weighted average number of ordinary shares outstanding	132,502,847	104,123,931
Basic loss per share (in US cents)	**(8.65)**	**(4.68)**

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 2022	Group 2021
Loss attributable to ordinary shareholders (US$'000)	(11,464)	(4,874)
Weighted average number of ordinary shares outstanding	132,502,847	104,123,931
Adjustment for share options and share awards		
Weighted average number of ordinary shares outstanding	132,502,847	104,123,931
Diluted loss per share (in US cents)	(8.65)	(4.68)

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, JSOP awards and Deferred Share Scheme awards under the schemes as 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 2022 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's loss for the year translates into cash flows used in operating activities.

	Group 2022	Group 2021	Company 2022	Company 2021
	US$'000	US$'000	US$'000	US$'000
Loss before income tax	(11,404)	(4,797)	(6,595)	(12,181)
Adjustments for:				
Finance costs – net	367	4,350	129	3,961
Depreciation	143	326	-	-
Depreciation right-of-use assets	602	772	-	-
Amortisation	1,184	471	-	-
Deferred commission amortisation	2,282	62	-	-
Impairment[(1)]	454	106	7,922	13,497
Share-based payments cost	1,188	983	-	-
Exchange translation adjustment	55	(900)	369	(536)
Loss on disposal of fixed assets	31	36	-	-
Non cash management charges	-	-	(1,900)	(5,477)
Changes in working capital:				
Trade and other receivables	2,173	3,189	88	(143)
Contract assets	(410)	131	-	-
Trade and other payables	2,886	(1,719)	124	(979)
Contract liabilities	(2,157)	(2,352)	-	-
Provisions	(735)	(207)	(476)	(292)
Net cash (outflow)/inflow from operations	**(3,341)**	**451**	**(339)**	**(2,150)**

1 The Parent Company impairment charge in 2022 and 2021 represents the increase in the allowance for receivable balances owing from Group undertakings.

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 2022 (2021: 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 2022 (2021: nil).

UNLAWFUL DISTRIBUTION AND DIVIDEND RECEIVED FROM DATALEX (IRELAND) LIMITED

As reported in our 2018 Annual Report, Datalex plc paid a dividend to shareholders of US$3.8m on 5 September 2018. To enable the dividend to be paid, Datalex plc received a dividend of US$4.0m from its subsidiary, Datalex (Ireland) Limited ("Datalex Ireland") on 30 May 2018. This dividend was US$0.24 per share on the issued ordinary share capital of 16,607,262 shares. The dividend payment by Datalex plc had been approved by shareholders at the AGM on 18 June 2018 and interim Financial Statements to 31 May 2018 were filed at the Companies Registration Office to support this payment.

Subsequent to the dividend payments, management identified that Datalex Ireland would not have had sufficient retained earnings to support the dividend payment to Datalex plc had there been appropriate recording of revenue, which had been subsequently amended. As such, the 2018 dividend payment by Datalex Ireland to Datalex plc of US$4.0m was an unlawful distribution in contravention of the provisions of Section 117 of the Companies Act 2014.

In accordance with applicable legislation, the dividend of US$4.0m paid by Datalex Ireland to Datalex plc is repayable by Datalex plc. Accordingly, an intercompany payable to Datalex Ireland has been recognised for US$4.0m in the Financial Statements of Datalex plc and the dividend received had been derecognised in the statement of profit or loss of the Company for 2018. The intercompany receivable balance which has been presented net of the provision in the Statement of Financial Position remains outstanding at 31 December 2022 and at 31 December 2021.

28 INVESTMENTS IN SUBSIDIARIES

This note details the Company's principle subsidiary undertakings as well as the carrying value of these subsidiary undertakings.

Company	2022	2021
	US$'000	US$'000
At beginning of year	-	-
Share-based payments cost	1,188	983
Impairment provision	(1,188)	(983)
At end of year	-	-

At 31 December 2022, 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	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	Parlevinker 13, 1186, ZA, Amsterdam, The Netherlands
Datalex Solutions (UK) Limited	100%	Delivery of professional services	8th Floor, 55 Spring Gardens, Manchester, M2 1EN, UK
Datalex Tokenization, Inc.	100%	Provision of online payment processing connectivity in line with PCI compliance	C/O Spaces, 132 West 31st Street, 9th floor, New York, NY 10001, USA
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

Notes to the Financial Statements
For the year ended 31 December 2022 (continued)

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 two Executive Directors who held office during the year (2021: two Executive Directors), the five Non-Executive Directors (2021: five Non-Executive Directors) and 8 members of the senior management team (2021: 12 members).

The remuneration of and transactions with all Directors under the Companies Act 2014 have been disclosed in the Remuneration Report on pages 72 to 87.

	2022	2021
	US$'000	US$'000
Short term employee benefits(1)	2,610	3,923
Share-based payment charge(2)	747	809
Termination benefits	-	272
Retirement benefits expense(3)	106	158
Charged to operating profit	**3,463**	**5,162**

(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 8 senior management team members (2022: two Executive Directors and 12 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$nil (2021: US$3k) in expenses were incurred by the Group with Ronan Daly Jermyn during 2022. US$nil was payable to Ronan Daly Jermyn at 31 December 2022 (2021: US$nil).

Non-Executive Directors' fees of US$nil (2021: US$nil) were accrued at the year end.

The remuneration of and transactions with all Non-Executive Directors is as follows:

	2022	2021
	US$'000	US$'000
Basic salaries and fees	317	333

COMPANY

At 31 December 2022, the Company had a balance of US$nil (2021: US$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 2022, given uncertainties as to future recoverability of these amounts and in light of the significant losses and cash outflows in these other Group companies.

29 RELATED PARTY TRANSACTIONS (continued)

During 2022, 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.

At 31 December 2022, the Company had a balance of US$34k (2021: US$34k) due from Mr. David Kennedy, a previous related party, in relation to share option exercise costs. At the date of the annual report the amount unpaid is US$34k and which is being pursued. Mr. Kennedy, a former Executive Director, held the position of Finance Director until 5 December 2018.

As disclosed in Note 26, the 2018 dividend of US$4.0m paid by Datalex Ireland to Datalex plc is repayable by Datalex plc. Accordingly, an intercompany payable to Datalex Ireland has been recognised for US$4.0m in the Financial Statements of Datalex plc. The amount remains outstanding at the 31 December 2022.

Transactions with Tireragh Limited and IIU Nominees Limited:
IIU Nominees Limited, a related party ultimately beneficially owned by Mr. Dermot Desmond, As more fully explained in Notes 14, the Group entered into a secured loan facility agreement with Tireragh Limited, a related party ultimately beneficially owned by Mr. Dermot Desmond, during the year ended 31 December 2019.

On 28 May 2021, Tireragh Limited entered into the Second Amended and Restated Agreement with the Company, under which the Group will have access to the Facility B credit facility up to €10m which may be drawn down until 31 December 2022, with a repayment date of 30 June 2023.

The Second Amendment and Restatement Agreement was approved by shareholders on 1 July 2021 and, following completion of the Capital Raise, the Company repaid all amounts outstanding under the Facility, including capitalised interest costs and financing fees associated with the Facility. The Company continues to have access to the Facility B credit facility of up to €10 million as described above. At 31 December 2022 €5m of the facility had been drawn down.

At 31 December 2022, the total balance payable to Tireragh Limited was US$5.5m (2021: US$nil). The break down of the principle amount, interest charges & FX charges are included in Note 14.

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 2022, the invoiced balances due by Lufthansa and Swiss International Airlines Limited amounted to US$3.8m (2021: US$3.7m). As previously disclosed, in 2019 the Group prudently recorded a 100% expected credit loss which is still retained in its 2022 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.

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

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 2022 or 2021. 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 2022 relates to euro monetary assets and debtors totalling US$5.7m (2021: US$9.0m) and pound sterling monetary asset and debtors totalling US$0.5m (2021: US$0.1m).

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-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 2022 or 2021.

At 31 December 2022, The movement of the Euro against the US dollar with all other variables held constant, the impact on post-tax loss for the year would have been:

Euro movement against US Dollar	10%	7.50%	5%	2.50%
	USD '000's	USD '000's	USD '000's	USD '000's
2022 Impact on results	272	204	136	68
2021 Impact on results	819	614	409	205

A strengthening in the Euro 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-denominated trade receivables, trade payables and cash. The 2022 year end Euro to US Dollar rate was US$1.0666 (2021: US$1.1326). The average Euro to US Dollar exchange rate for 2022 was US$1.051 (2021: US$1.182).

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$0.4m at 31 December 2022 (2021: US$0.1m) 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 2022, 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 (2021: 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 2022 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 2022	Group 2021
	US$'000	US$'000
A	1,035	374
A-	475	394
BBB+	-	89
BBB-	5,026	7,394
Not rated	-	-
	6,536	**8,251**

Cash and cash equivalents are held at amortised cost. The expected credit losses on these balances are immaterial.

31 FINANCIAL RISK MANAGEMENT (continued)

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities on hand, having additional funding available through an adequate amount of committed credit facilities and maintaining the ability to close out market positions.

It is Group policy to maintain at all times access to sufficient resources to meet all short-term financial obligations.

The analysis below summarises the Group's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group-based on the remaining period as at the reporting date:

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 2022	12,327	282	6,246	-	**18,855**
At 31 December 2021	4,890	530	5,485	411	**11,316**

Shareholder loan facility agreement

As discussed in Note 14, On 28 May 2021, Tireragh entered into the Second Amendment and Restatement Agreement with the Company under which the Company and Tireragh 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 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 incurrs interest on drawn down balances at the rate of 10% per annum, compounding monthly and rolled up until maturity.

This Facility required 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, 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 with respect to the Second 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 with respect to the Second 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 with respect to the Second Facility;
(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 with respect to the Second Facility; and
(vi) Requirements to adhere to certain financial covenants, as outlined below:

The key financial covenants pertaining to the loan facility 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.

31 FINANCIAL RISK MANAGEMENT (continued)

On 28 May 2021, Tireragh entered into the Second Amendment and Restatement Agreement with the Company under which the Company and Tireragh 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 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 and otherwise on the same terms as those set out in the Facility. At 31 December 2022 €5m had been drawn down under Facility B. The Second Amendment and Restatement Agreement provides that unless and until a loan is outstanding, the obligations relating to (i) non-compliance with financial covenants and (ii) cross default will not apply but must be satisfied in advance of any drawdown under Facility B.

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 on page 111.

CASH FLOW RISK

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

32 SUBSEQUENT EVENTS

Since year end, the Group has signed a new contract with LATAM for Datalex Dynamic Shopping and Pricing. Additionally, three key customer contracts which were scheduled for renewal at year end were renewed during March and April 2023 for multi-year terms.

SAS AB ("SAS"), a customer of the Group whom voluntarily filed for Chapter 11 (a legal process for financial restructuring conducted under U.S. federal court supervision) in the U.S. during 2022, notified the Group on 27 February 2023 of its intention to file an order in a US bankruptcy court as part of its Chapter 11 restructuring process to reject its contract with Datalex. On 15 March 2023 an order authorising SAS to reject its contract with Datalex was granted.

On 22 March 2023 the Group drew down a further €4m of its debt facility with Tireragh Limited ("Facility B").

On 11 April 2023 the Group agreed an amendment to its debt facilities with Tireragh Limited - extending the repayment dates for all amounts owing under facility B to 31 December 2024 and extending the availability period of facility B for drawdown to 30 June 2023. Facility B will be subject to a higher rate of interest (15.5% from 11 April 2023; 16.5% from 1 July 2023, 18% from 1 October 2023). In the context of the Company's strategic development, in particular the expected growth from recent new customer wins and other potential opportunities, the Board has resolved to explore further fundraising options to secure capital to repay the debt facility and support the expansion of the business as it returns to positive cashflow generation and further builds out its global customer base and the Group has recently engaged financial advisors to assist in this regard.

33 CONTINGENCIES

This note provides a summary of the significant contingencies at the year end.

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 2022. 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

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(Non-Executive Chairman)

Sean Corkery
(Chief Executive Officer)

John Bateson
(Non-Executive Director)

Dermot Halpin
(Independent Non-Executive Director)

Peter Lennon
(Non-Executive Director)

Mike McGearty
(Lead Independent Non-Executive Director)

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(Chief Financial Officer)

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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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