Interim Financial Report 2024

Transforming Airline Retail

Chief Executive Officer's Review

H1 2024 Performance

Revenue in H1 2024 was $13.2 million, a 3% increase versus the same period in 2023 (H1 2023: $12.9 million). Within this, platform revenue increased by 14% and services revenue decreased by 11% in comparison to H1 2023.

Positively, gross profit in H1 2024 was $3.8 million, an increase of 25% year on year (H1 2023 $3.1 million). The Group's gross profit margin in H1 2024 of 29% grew by 5 percentage points (H1 2023 24%).

We are reporting an Adjusted EBITDA loss of $2 million in H1 2024. While this is an improvement versus the $3.1 million loss reported for the same period in H1 2023, it is our ambition to return to being EBITDA positive in the future, which we are aiming to achieve in FY25.

Key metrics

Metric	H1 2024 (US$'000)	H1 2023 (US$'000)	YoY Growth (US$'000)	YoY Growth (%)
Revenue	**13,210**	**12,867**	**343**	**3%**
Platform Revenue	*7,212*	*6,342*	*870*	*14%*
Services Revenue	*5,453*	*6,137*	*(684)*	*(11%)*
Consultancy Revenue	*545*	*388*	*157*	*40%*
Gross Profit (1)	**3,787**	**3,018**	**769**	**25%**
Gross Profit Margin	**28.7%**	**23.5%**		**22%**
Adjusted EBITDA (2)	**(1,963)**	**(3,109)**	**1,146**	**37%**
Loss after tax for the period	**(6,062)**	**(6,158)**	**96**	***2%***

(1) Gross Profit is defined as revenue minus cost of sales.
(2) Adjusted EBITDA 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

Making progress with strategic milestones that are foundational to Datalex's future growth

In H1 2024, we made some meaningful progress in setting foundations that are critical for Datalex's future sustained growth.

Activation of new customers

During the first six months, we continued to focus on the activation of new customers.

Further to easyJet's initial go-live in 2023, we continued to activate further offer management capability for easyJet. Additional activation work will continue in the second half of 2024 and in 2025. As easyJet uses more of our product functionality, this will drive growth in our platform revenues.

Further to signing Air Macau as a new customer in December 2023, we commenced activating our shopping & pricing capability for this customer at the start of 2024. Air Macau will go live in Q3 2024, and we look forward to helping Air Macau use our product capability so that they can boost their revenues and transaction volumes.

Customer migrations

In H1 2024, we continued to migrate existing customers to our latest platform and technology stack. The Air China migration to our latest platform was completed this month.

These customer migration projects are a critical part of our growth strategy, as it ensures that our customers are mutually benefiting from our continued product investment. The ability to deliver our latest functionality and sustained value to our existing customers, and in a more efficient way, is an important foundation for the Group's next phase of growth.

Product investment

Over the last six months, we have continued to invest in our offer and order management capability. One area of particular focus was investment in our air bundling capability. This capability gives airlines the ability to dynamically create bundled offers (comprising of an air fare and ancillary products) in a matter of minutes. For many airlines, it can take many months of development to be able to create a new bundle. This capability will be going live with one of our customers later this year and will deliver substantial value for this customer.

Optimising our operating model

A key area of strategic focus in H1 2024 was to complete a review of our operating model to ensure that we are structured in a way that enables us to deliver at a greater pace and with more efficiency. This review was completed in H1, and teams moved to our new organisational structure in July 2024. We are continuing to embed our new model in H2 and are confident that our new structure provides Datalex with a better foundation to deliver, grow and scale.

Looking ahead – H2 2024

Today, in addition to publishing our financial results for the first six months of 2024, we also announced an equity raise of €25 million in equity capital by way of a Firm Placing and Placing and Open Offer, giving all shareholders the opportunity to participate in the fundraising. Strengthening the funding position of the business has been a priority for me since I joined the Group and this capital raise is an important steppingstone. It will enable the Group to repay the existing Tireragh Limited debt facility and provide working capital to invest in key near term priority areas. The Board intends to raise further capital in the first half of 2025. The Board estimates that a minimum of €5 million of additional capital will be required, but the quantum and timing will be determined by the pace at which the Board wishes to invest in its anchor solution and in new product offerings.

In H2, we will continue to build on the foundations that we set in H1. This will include the continued activation of our product capability for easyJet, whilst also continuing a number of customer migration projects. Our focus will continue to be on how we can unlock value for our customers. In H2, we also plan to invest in the modularisation of our new product platform, to ensure that we are making meaningful progress in reducing the time required to implement our products and improve time-to-value for our airline partners.

I would like to take this opportunity to thank the Datalex team for their hard work in H1 to achieve the goals that we set out to achieve. I look forward to achieving many more milestones with this team throughout the rest of 2024 and beyond.

Jonathan Rockett
Chief Executive Officer
28 August 2024

Financial summary

Revenue

Total revenue for the six-month period ending 30 June 2024 was $13.2 million, a 3% increase versus the same period in 2023 (H1 2023: $12.9 million). Continued growth in platform revenue was partially offset by a decline in services revenue due to prior year customer terminations.

- Platform revenue of $7.2 million increased by 14% year on year (H1 2023: $6.3 million). The increase in platform revenue is mainly attributable to the ongoing activation of product capabilities with recently acquired customers. We expect to see continued platform revenue growth through 2024 as we complete further activations and benefit from the migration of customers to our licence and transaction fee model.

- Services revenue of $5.5 million decreased by 11% year on year (H1 2023: $6.1 million). Whilst there was positive momentum with existing customers, the year-on-year decline is due to revenue from Scandinavian Airlines and Virgin Australia not recurring this year .

- As noted in the FY23 Annual Report, our contracts with Scandinavian Airlines and Virgin Australia ended last year. These contracts represented $3.5 million of total revenue that will not recur this year (H1 2023 $1.4 million, H2 2023 $2.1 million), and will continue to create a drag on year-on-year growth in 2024.

- Consultancy revenue of $0.5 million saw year on year growth of 40% (H1 2023 $0.4 million).

- Other revenue was nil in H1 2024 and the comparable prior year period.

- As previously mentioned in our FY23 Annual Report, we signed an agreement with LATAM Airlines in 2023. Although the project achieved its primary endpoints, it was agreed that this solution will not be part of LATAM Airlines' or Datalex's short term priorities and will not proceed. We derived significant value and insight from this project and will continue to invest in co-innovation projects with airlines, where we see strategic areas of opportunity and a joint return on investment.

Gross profit and margin

Gross profit for the six-month period ending 30 June 2024 was $3.8 million, an increase of 25% year on year (H1 2023 $3.0 million). Year on year growth is primarily driven by gross profit margin expansion due to higher margin services projects. Gross profit margin of 28.7% in H1 2024, grew by 5 percentage points year on year (H1 2023 23.5%). Gross profit margin will be a key metric for the business going forward as we continue to transition our customers to a transaction and licence fee model.

Adjusted EBITDA and Loss after tax

- Operating expenses for the first half of 2024 amounted to $5.7 million, decreasing 6% year on year (H1 2023: $6.1 million), mainly due to a positive FX benefit. Operating expenses consist of all operating costs excluding cost of sales, depreciation and amortisation, finance costs, exceptional items and share-based payments.

- Adjusted EBITDA loss amounted to $2.0 million in H1 2024, compared to $3.1 million loss for the same period in H1 2023, an improvement of 37% year on year. The FX adjusted EBITDA loss amounts to $2.6M in H1 2024, compared to $3.3M in H1 2023. It is our ambition to return to being EBITDA positive in FY25.

- Costs below EBITDA amounted to $4.1 million in H1 2024, increasing from $3.0 million in the prior year due to higher finance costs. These costs are made up of depreciation and amortization, finance costs, share based payments, and exceptional items.

- The company recorded a loss after tax of $6.1 million in H1 2024, a slight improvement on the loss of $6.2 million for the same period in H1 2023.

Cash and financial position on 30 June 2024

Our cash and short-term investments on 30 June 2024 totaled $3.5 million (H1 2023: $2.9 million). A net cash outflow from operations ($1.3 million) and outflows to fund product development ($0.5 million) and lease liabilities ($0.4 million), contributed to a decrease in cash of $2.3 million during the year.

Financing

As of 30 June 2024, the Group has drawn down €13 million from the Tireragh Limited loan facility (total facility granted is €15 million), and accumulated interest of €3.2 million. The Group incurred finance costs of $1.6 million in H1 2024 (H1 2023: US$0.6m) in relation to this loan facility. The repayment date on this facility is 31 December 2024 and as such it is disclosed as Borrowings within Current Liabilities in the Consolidated Statement of Financial Position.

As noted earlier in this report, the Group has proposed that it intends to complete a capital raise, by way of a Firm Placing and Placing and Open Offer, to raise approximately €25 million (before expenses) to repay the entire Tireragh Limited debt facility and support the Group's near-term working capital requirements.

It is the Board's intention to raise further capital in the first half of 2025. The Board estimates that a minimum €5 million of further capital will be required, but the quantum and timing will be determined by the pace at which the Board wishes to invest in its anchor solution and in new product offerings. Accelerated investment would be supported by a strong pipeline of opportunities and a clear line of sight on the potential revenue and margin growth. The Board's expectation is based on current estimates and may change should future opportunities arise for the Group that require additional investment or should the Group's financial position exceed expectations. The Board is confident that the Group will be able to secure the additional funding required in 2025.

2024 half year results summary

	For the six months ended			*For the year ended*
	30 June 2024 *Unaudited* **US$'000**	**30 June 2023** *Unaudited* **US$'000**	**Period on period** *Change %*	**31 December 2023** *Audited* **US$'000**
Platform revenue [1]	*7,212*	*6,342*	*14%*	*12,940*
Services revenue	*5,453*	*6,137*	*(11%)*	*14,078*
Consultancy revenue	*545*	*388*	*40%*	*879*
Other revenue	*-*	*-*	*-*	*988*
Total revenue	**13,210**	**12,867**	***3%***	**28,885**
Cost of sales	(9,423)	(9,849)	*4%*	(19,164)
Gross Profit [2]	**3,787**	**3,018**	***25%***	**9,721**
Gross Profit Margin	*28.7%*	*23.5%*	*22%*	33.7%
Operating expenses[3]	(5,750)	(6,127)	*6%*	(12,621)
Adjusted EBITDA[4]	**(1,963)**	**(3,109)**	***37%***	**(2,900)**
FX (gain)/loss	*(597)*	*(169)*	*(253%)*	*290*
Foreign Exchange adjusted EBITDA[5]	*(2,560)*	*(3,278)*	*22%*	*2,610*
Depreciation	(225)	(309)	*27%*	(502)
Amortisation	(1,040)	(1,076)	*3%*	(2,081)
Finance costs	(1,647)	(582)	*(183%)*	(2,043)
Share Based Payments	(629)	(544)	*(16%)*	(671)
Exceptional items	(555)	(532)	*(4%)*	(791)
Loss before tax for the period	**(6,059)**	**(6,152)**	***2%***	**(8,988)**
Loss after tax for the period	**(6,062)**	**(6,158)**	***2%***	**(9,020)**
Cash and cash equivalents	3,490	2,866	*22%*	5,774
Debt (leases and secured related party loan)	(18,180)	(12,827)	*(42%)*	(17,357)
Net working capital	(22,114)	(14,569)	*(52%)*	(16,778)
Cash used in operating activities	(1,323)	(7,474)	*82%*	(7,139)
EPS – basic and diluted (US cent)	(4.57)	(4.64)	-	(6.8)

(1) Platform revenue is earned from use of the Group's Digital Products by our customers, and includes licence, transaction, and hosting revenue.
(2) Gross Profit is defined as revenue minus cost of sales.
(3) Operating expenses consist of all operating costs excluding cost of sales, depreciation and amortisation, finance costs, exceptional items, share-based payments expenses.
(4) Adjusted EBITDA (Note 4) 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 7).
(5) Foreign currency adjusted EBITDA (Note 4) is defined as Adjusted EBITDA (Note 4) 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.

Forward Looking Statements

Certain statements made in this document are forward-looking. These represent expectations for the Group's business, and involve known and unknown risks and uncertainties, many of which are beyond the Group's control. The Group has based these forward-looking statements on current expectations and projections about future events. These forward- looking statements may generally, but not always, be identified by the use of words such as 'will', 'aims', 'anticipates', 'continue', 'could', 'should', 'expects', 'is expected to', 'may', 'estimates', 'believes', 'intends', 'projects', 'targets', or the negative thereof, or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Group's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. You should not place undue reliance on any forward-looking statements.

These forward-looking statements are made as of the date of this announcement. The Group expressly disclaims any obligation to publicly update or review these forward-looking statements other than as required by law. This announcement contains inside information for the purposes of the Market Abuse Regulation.

Statement of Directors' Responsibilities

The Directors of Datalex plc are responsible for preparing this interim management report and the Half-Yearly Financial Report in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union.

Each of the Directors listed on pages 38 and 39 of the 2023 Annual Report confirm that, to the best of their knowledge:

- The Directors of Datalex plc are responsible for preparing this interim management report and the Half-Yearly Financial Report in accordance with IAS34, Interim Financial Reporting, as adopted by the European Union.
- The Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the Half-Yearly Financial Report for the half year ended 30 June 2024 and a description of the principal risks and uncertainties for the remaining six months which has been provided in Note 26 of the Half-Yearly Financial Report.
- The Half-Yearly Financial Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Jonathan Rockett
Director
28 August 2024

Steven Moloney
Director
28 August 2024

Condensed Consolidated Interim Statement of Financial Position as at 30 June 2024 (unaudited)

	Notes	30 June 2024 *Unaudited* US$'000	31 December 2023 *Audited* US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		55	90
Intangible assets	16	3,663	4,329
Right of use assets	17	797	985
Contract acquisition costs	19	259	275
Total non-current assets		**4,774**	**5,679**
Current			
Contract acquisition cost	19	45	45
Trade and other receivables	9	5,101	6,034
Contract assets	9	1,275	2,364
Cash and cash equivalents		3,490	5,774
Total current assets		**9,911**	**14,217**
TOTAL ASSETS		**14,685**	**19,896**

Condensed Consolidated Interim Statement of Financial Position as at 30 June 2024 (unaudited) – (Continued)

	Notes	30 June 2024 *Unaudited*	31 December 2023 *Audited*
			US$'000
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Issued ordinary share capital	20	13,268	13,268
Other issued equity share capital		262	262
Other reserves		40,130	39,578
Retained loss		(76,735)	(70,673)
TOTAL EQUITY		**(23,075)**	**(17,565)**
Borrowings	10	582	737
Provisions	11	127	96
Trade and other payables	12	5,026	5,633
Total non-current Liabilities		**5,735**	**6,466**
Borrowings	10	17,598	16,620
Provisions	11	64	90
Trade and other payables	12	6,891	6,410
Contract liabilities	13	7,462	7,831
Current income tax liabilities		10	44
Total current liabilities		**32,025**	**30,995**
TOTAL EQUITY AND LIABILITIES		**14,685**	**19,896**

Condensed Consolidated Interim Income Statement
For the six months ended 30 June 2024 (unaudited)

	Notes	Six months ended 2024 *Unaudited* Total US$'000	Six months ended 2023 *Unaudited* Total US$'000	Year ended 2023 *Audited* Total US$'000
Continuing operations				
Revenue from contracts with customers	4	13,210	12,867	28,885
Cost of sales	5	(9,423)	(9,849)	(19,164)
GROSS PROFIT		**3,787**	**3,018**	**9,721**
Selling and marketing costs	5	(222)	(113)	(307)
Administrative expenses	5	(8,974)	(8,385)	(16,015)
Net movement in ECL on financial and contract assets	5	159	(101)	(105)
Impairment of intangible assets	5	(132)	-	(46)
Other income		267	119	237
Other gains /(losses)	8	703	(108)	(430)
OPERATING LOSS		**(4,412)**	**(5,570)**	**(6,945)**
Finance costs		(1,647)	(582)	(2,043)
LOSS BEFORE INCOME TAX		**(6,059)**	**(6,152)**	**(8,988)**
Income tax charge	14	(3)	(6)	(32)
LOSS FOR THE PERIOD		(6,062)	(6,158)	**(9,020)**
LOSS PER SHARE (in US$ cents per share)	15			
Basic and diluted		**(4.6)**	**(4.6)**	**(6.8)**

Condensed Consolidated Interim Statement of Comprehensive Income
For the six months ended 30 June 2024 (unaudited)

	Six months ended		Year ended
	30 June 2024 *Unaudited*	**30 June 2023** *Unaudited*	**31 December 2023** *Audited*
	US$'000	**US$'000**	**US$'000**
Loss for the period	**(6,062)**	**(6,158)**	**(9,020)**
Other comprehensive income:			
Items that may subsequently be reclassified to profit or loss:			
Foreign currency translation adjustments			
- Arising in the period	(77)	11	66
Total items that may be subsequently reclassified to profit or loss	**(77)**	**11**	**66**
Comprehensive income for the period	**(6,139)**	**(6,147)**	**(8,954)**

Condensed Consolidated Interim Statement of Changes in Equity
For the six months ended 30 June 2024 (unaudited)

	Issued ordinary share capital	Other issued equity share capital	Other reserves	Retained (loss)/ earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
Unaudited					
Balance at 1 January 2023	**13,267**	**262**	**38,838**	**(61,653)**	**(9,286)**
Loss for the period	-	-	-	(6,158)	**(6,158)**
Other comprehensive income	-	-	11	-	**11**
Total comprehensive income for the period	**-**	**-**	**11**	**(6,158)**	**(6,147)**
Share-based payments charge		-	544	-	544
Balance at 30 June 2023	**13,267**	**262**	**39,393**	**(67,811)**	**(14,889)**
Audited					
Balance at 1 January 2023	**13,267**	**262**	**38,838**	**(61,653)**	**(9,286)**
Loss for the year	-	-	-	(9,020)	**(9,020)**
Other comprehensive income	-	-	66	-	**66**
Total comprehensive income for the year	**-**	**-**	**66**	**(9,020)**	**(8,954)**
Share-based payments charge	-	-	671	-	**671**
Issue of ordinary shares on capital raise	1	-	-	-	**1**
Premium on shares issued	-	-	3	-	**3**
Balance at 31 December 2023	**13,268**	**262**	**39,578**	**(70,673)**	**(17,565)**
Unaudited					
Balance at 1 January 2024	**13,268**	**262**	**39,578**	**(70,673)**	**(17,565)**
Loss for the period	-	-	-	(6,062)	**(6,062)**
Other comprehensive income	-	-	(77)	-	**(77)**
Total comprehensive income for the period	**-**	**-**	**(77)**	**(6,062)**	**(6,139)**
Share-based payments charge	-	-	629	-	629
Balance at 30 June 2024	**13,268**	**262**	**40,130**	**(76,735)**	**(23,075)**

Condensed Consolidated Interim Cash Flow Statement
For the six months ended 30 June 2024 (unaudited)

	Notes	30 June 2024 Unaudited US$'000	Six months ended 30 June 2023 Unaudited US$'000	Year ended 31 December 2023 Audited US$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash outflow from operations	21	(1,286)	(7,302)	(6,950)
Interest paid		-	-	(15)
Income tax paid		(37)	(172)	(174)
NET CASH USED IN OPERATING ACTIVITIES		**(1,323)**	**(7,474)**	**(7,139)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to intangible assets	16	(506)	(997)	(1,434)
Purchase of property, plant and equipment		-	-	(16)
NET CASH USED IN INVESTING ACTIVITIES		**(506)**	**(997)**	**(1,450)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares (including share premium)		-	-	4
Proceeds from borrowings		-	5,316	8,576
Borrowing costs		-	-	(229)
Payment of interest on lease liabilities	17	(54)	(82)	(146)
Payment of capital on lease liabilities	17	(324)	(301)	(496)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		**(378)**	**4,933**	**7,709**
Net decrease in cash and cash equivalents		**(2,207)**	**(3,538)**	**(880)**
Foreign exchange loss on cash and cash equivalents		(77)	(132)	118
Cash and cash equivalents at beginning of period		5,774	6,536	6,536
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**3,490**	**2,866**	**5,774**

Notes to the Interim Financial Report

1. General information

The principal activity of the Group 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 listed on the Euronext Growth market. The company registration number is 329175, and the registered office is Block V, EastPoint, Clontarf, Dublin 3, D03 H704, Ireland.

This Half-Yearly Financial Report was authorised for issue by the Board of Directors on 27 August 2024.

2. Basis of preparation

The Half-Yearly Financial Report ("Interim financial statements") of Datalex plc (the 'Group'), which is presented in US Dollars (denoted as "US$") and expressed in thousands, has been prepared as at, and for the period ended 30 June 2024, in accordance with Central Bank (Investment Market Conduct) Rules 2019 and with International Accounting Standard 34, Interim Financial Reporting, ("IAS 34") as adopted by the European Union.

The Half-Yearly Financial Report does not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023 included in the Datalex plc 2023 Annual Report which is available on the Group's website www.datalex.com.

The Half-Yearly Financial Report is unaudited and has not been reviewed by the auditor pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

STATUTORY INFORMATION

The interim financial statements are considered non–statutory financial statements for the purposes of the Companies Act 2014 and in compliance with section 340(4) of that Act we state that:

- the interim financial statements as at, and for the period commencing 1 January 2024 and ended 30 June 2024 have been prepared to meet our obligations under the Central Bank (Investment Market Conduct) Rules 2019;
- the interim financial statements as at, and for the period commencing 1 January 2024 and ended 30 June 2024 do not constitute the statutory financial statements of the Group and are unaudited;
- the statutory financial statements as at, and for the financial year ended 31 December 2023 will be annexed to the 2023 annual return and filed with the Companies Registration Office;
- the statutory auditor of the Group has made a report under section 391 in the form required by section 336 Companies Act 2014 in respect of the statutory financial statements of the Group;
- the statutory auditors drew attention by way of emphasis without qualifying the report to going concern as a material uncertainty.

2. Basis of preparation (continued)

GOING CONCERN

The Half-Yearly Financial Report has been prepared on a going concern basis, which assumes that the Group will be able to continue in operational existence for the foreseeable future. The time period that the Board has considered in evaluating the appropriateness of the going concern basis in preparing the Half-Yearly Financial Report for 2024 is a period of twelve months from the date of approval of this report.

For the six-month period ending 30 June 2024, the Group incurred a loss of US$6.1m (2023: US$9.0m). On 30 June 2024, the Group had net liabilities of US$23.1m (2023: net liabilities of US$17.6m) and net current liabilities of US$22.1m (2023: net current liabilities of US$16.8m). The total decrease in cash was US$2.3m (2023: decrease of US$0.8m) with a closing cash balance of US$3.5m on 30 June 2024 (2023: US$5.8m). As discussed below and having drawn down an additional €2m of the Tireragh Limited loan facility, as of 31 July 2024, the closing cash balance per unaudited management accounts was US$4.7m.

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

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

The Group has developed various financial forecasts to evaluate its cash flow needs. The "Base Case" scenario reflects management's best estimate of the business's performance over the forecasted period. Additionally, a sensitivity analysis has been conducted to assess a potential "Reasonable Worse Case" scenario, which represents a plausible yet more challenging combination of the business's main risks, leading to reduced revenue and corresponding cost-cutting measures.

One of the key risks facing the Group is the repayment of the Tireragh Limited loan facility, due on 31 December 2024. As of 30 June 2024, this loan consisted of a principal amount of €13 million and accrued interest of €3.2 million. After the period ended, an additional €2 million was drawn from the loan facility in July 2024. Current cash flow forecasts suggest that, without additional funding, the Group will not have sufficient resources to meet this repayment obligation.

To mitigate this risk, on 28 August 2024 the Group has separately announced that it intends to complete a capital raise, by way of a Firm Placing and Placing and Open Offer, to raise approximately €25 million (before expenses). Funds raised will be used to repay the entire Tireragh Limited debt facility and provide working capital for at least the next six months to invest in key near term priority areas. This effort is supported by the Group's largest shareholders, who have expressed their intention to participate in the proposed capital raise.

2. Basis of preparation (continued)

GOING CONCERN (continued)

It is the Board's intention to raise further capital in the first half of 2025. The Board estimates that a minimum €5 million of further capital will be required, but the quantum and timing will be determined by the pace at which the Board wishes to invest in its anchor solution and in new product offerings. Accelerated investment would be supported by a strong pipeline of opportunities and a clear line of sight on the potential revenue and margin growth. The Board's expectation is based on current estimates and may change should future opportunities arise for the Group that require additional investment or should the Group's financial position exceed expectations. The Board is confident that the Group will be able to secure the additional funding required in 2025.

Despite the material uncertainties outlined above, the Board believes that, based on the financial forecasts, the support from key shareholders and lenders, and the available fundraising options, there is a reasonable expectation that the Group and Parent Company have sufficient resources to continue operations for at least twelve months from the date of this report's approval.

Therefore, the Board continues to prepare the Financial Statements on a going concern basis, and no adjustments have been made that would be required if the Group were unable to continue as a going concern.

3. Accounting policies

The accounting policies and methods of computation applied by the Group in the Half-Yearly Financial Report are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2023.

There have been no changes to significant judgements in applying the Group's accounting policies and/or the key sources of estimation uncertainties for the Half-Yearly Financial Report since the 2023 Annual Report. The 2023 Annual Report was published on the 20 June 2024.

Newly adopted standard or amendments

No IFRSs or IFRIC interpretations are effective for the first time for the financial period beginning on 1 January 2024 that have a material impact on the Group.

4. Segmental information

The Group is organised into two operating segments. This section provides information on the financial performance for the period on a segmental basis.

The Group's reportable operating segments are based on the reports reviewed by the chief operating decision makers (Executive Leadership Team, the "ELT") which are used to make strategic decisions. The ELT assesses the performance of the operating segments based on the Adjusted EBITDA measure, in conjunction with reviewing other metrics such as Revenue.

The ELT reviews business performance from a product and service perspective. In 2024 and 2023, TPF Consulting (Transaction Processing Facility) did not meet the quantitative thresholds for mandatory disclosure under IFRS 8 Operating Segments (IFRS 8 para 13). However, the executive management team have opted to continue to disclose this segment separately on the basis that TPF Consulting is managed independently, and that the executive management team 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, exceptional costs and the costs of share options and other share-based payments awards granted to Executive Directors and employees. 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.

4. Segmental information (continued)

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 executive management team for the reportable segments for the period ended 30 June 2024 is as follows:

	30 June 2024 *Unaudited*			30 June 2023 *Unaudited*		
	E-Business US$000	TFP Consulting US$000	Total US$000	E- Business US$000	TFP Consulting US$000	Total US$000
Revenue from contracts with customers	12,665	545	13,210	12,533	334	12,867
Inter-segment revenue	-	-	-	-	-	-
External revenue	**12,665**	**545**	**13,210**	**12,533**	**334**	**12,867**
Adjusted EBITDA	(2,085)	122	(1,963)	(3,103)	(6)	(3,109)
Share-based payments charge	(629)	-	(629)	(544)	-	(544)
EBITDA	**(2,714)**	**122**	**(2,592)**	**(3,647)**	**(6)**	**(3,653)**
Depreciation	(225)	-	(225)	(305)	(4)	(309)
Amortisation	(1,040)	-	(1,040)	(1,076)	-	(1,076)
Operating (loss)/profit before exceptional items	**(3,979)**	**122**	**(3,857)**	**(5,028)**	**(10)**	**(5,038)**
Exceptional items (Note 7)	(555)	-	(555)	(532)	-	(532)
Operating (loss)/ profit after exceptional items	**(4,534)**	**122**	**(4,412)**	**(5,560)**	**(10)**	**(5,570)**
Finance costs	(1,647)	-	(1,647)	(581)	(1)	(582)
Loss before income tax	**(6,181)**	**122**	**(6,059)**	**(6,141)**	**(11)**	**(6,152)**
Income tax expense	(3)	-	(3)	(6)	-	(6)
Loss for the period	**(6,184)**	**122**	**(6,062)**	**(6,147)**	**(11)**	**(6,158)**

4. Segmental information (continued)

A reconciliation of Adjusted EBITDA to Loss before income tax is provided as follows:

	Unaudited Six months ended 30 June 2024 US$'000	*Unaudited* Six months ended 30 June 2023 US$'000	*Audited* Year ended 31 December 2023 US$'000
Adjusted EBITDA	**(1,963)**	**(3,109)**	**(2,900)**
Depreciation	(225)	(309)	(502)
Amortisation (1)	(1,040)	(1,076)	(2,081)
Finance costs	(1,647)	(582)	(2,043)
Share-based payments cost	(629)	(544)	(671)
Exceptional items (Note 7)	(555)	(532)	(791)
Loss before income tax	**(6,059)**	**(6,152)**	**(8,988)**

(1) Amortisation includes amortisation of developments costs and software (Note 16) and amortisation of deferred fulfillment costs (Note 18). The figures for six months ended 30 June 2023 also included amortisation of contract acquisition costs of US$17K which were classified as operating costs for the results for the year ended 31 December 2023 and 30 June 2024.

	Unaudited Six months ended 30 June 2024 US$'000	*Unaudited* Six months ended 30 June 2023 US$'000	*Audited* Year ended 31 December 2023 US$'000
Adjusted EBITDA	**(1,963)**	**(3,109)**	**(2,900)**
Foreign Exchange	(597)	(169)	290
Foreign currency adjusted EBITDA	**(2,560)**	**(3,278)**	**(2,610)**

Refer to Note 18 of the Group's 2023 Annual Report for the definition of foreign currency adjusted EBITDA.

The amounts provided to the executive management team with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on operations of the segment and the physical location of the asset.

Total segment assets and liabilities are as follows:

	Unaudited 30 June 2024			*Audited* 31 December 2023		
	E -business	TPF Consulting	Total	E-business	TPF Consulting	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Total segment assets	11,984	2,701	**14,685**	17,282	2,614	**19,896**
Total segment liabilities	(37,649)	(111)	**(37,760)**	(37,288)	(173)	**(37,461)**

4. Segmental information (continued)

Analysis of revenue by category	***Unaudited*** Six months ended		***Audited*** Year ended
	30 June 2024	**30 June 2023**	**31 December 2023**
	US$'000	**US$'000**	**US$'000**
Platform revenue	7,212	6,342	12,940
Services revenue	5,453	6,137	14,078
Consultancy and other revenue	545	388	1,867
Revenue from contracts with customers	**13,210**	**12,867**	**28,885**

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 revenue.

5. Expenses by nature

	Unaudited Six months ended 30 June			*Unaudited* Six months ended 30 June			*Audited* Year Ended 31 December		
	2024 Before exceptional items	2024 Exceptional items (Note 7)	2024 Total	2023 Before exceptional items	2023 Exceptional items (Note 7)	2023 Total	2023 Before exceptional items	2023 Exceptional items (Note 7)	2023 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Employee benefit expense (Note 6) – net of capitalisation	9,358	479	9,837	9,492	228	9,720	18,267	327	18,594
Consultant and contractor costs – net of capitalisation	3,407	-	3,407	3,617	-	3,617	7,126	-	7,126
Other staff costs	228	-	228	267	-	267	503	-	503
Amortisation – development cost	967	-	967	866	-	866	1,824	-	1,824
Amortisation – software	73	-	73	63	-	63	126	-	126
Amortisation – deferred fulfilment costs	-	-	-	130	-	130	131	-	131
Deferred commission amortisation	16	-	16	17	-	17	26	-	26
Office costs	232	-	232	162	-	162	434	-	434
Hosting	889	-	889	707	-	707	1,544	-	1,544
Professional fees	617	76	693	497	304	801	1,039	418	1,457
Travel	120	-	120	155	-	155	250	-	250
Depreciation – PP&E	36	-	36	59	-	59	115	-	115
Depreciation – Right-of-use Assets	189	-	189	250	-	250	387	-	387
Net movement in ECL on financial and contract assets	(159)	-	(159)	101	-	101	105	-	105
Third party services	352	-	352	309	-	309	475	-	475
Impairment of non-current assets	132	-	132	-	-	-	-	46	46
Communication	31	-	31	36	-	36	69	-	69
Insurance	434	-	434	383	-	383	787	-	787
Advertising & Marketing	222	-	222	113	-	113	307	-	307
Company secretarial	151	-	151	141	-	141	276	-	276
Software maintenance and other online charges	653	-	653	446	-	446	917	-	917
Other	89	-	89	105	-	105	138	-	138
Total cost of sales, selling and marketing costs, administrative expenses and net impairment losses on financial and contract assets	**18,037**	**555**	**18,592**	**17,916**	**532**	**18,448**	**34,846**	**791**	**35,637**
Other (gains)/losses (Note 8)	(703)	-	(703)	108	-	108	430	-	430
Total operating costs	**17,334**	**555**	**17,889**	**18,024**	**532**	**18,556**	**35,276**	**791**	**36,067**

5. Expenses by nature (continued)

	Unaudited Six months ended 30 June			*Unaudited* Six months ended 30 June			*Audited* Year Ended 31 December		
	2024 Before exceptional items	2024 Exceptional items (Note 7)	2024 Total	2023 Before exceptional items	2023 Exceptional items (Note 7)	2023 Total	2023 Before exceptional items	2023 Exceptional items (Note 7)	2023 Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
- Cost of sales	9,423	-	9,423	9,849	-	9,849	19,164	-	19,164
- Selling and marketing costs	222	-	222	113	-	113	307	-	307
- Administrative expenses	8,419	555	8,974	7,853	532	8,385	15,270	745	16,015
- Net movement in ECL on financial and contract assets	(159)	-	(159)	101	-	101	105	-	105
- Impairment of non-current assets	132	-	132	-	-	-	-	46	46
- Other (gains)/losses (Note 8)	(703)	-	(703)	108	-	108	430	-	430
Total operating costs	**17,334**	**555**	**17,889**	**18,024**	**532**	**18,556**	**35,276**	**791**	**36,067**

6. Employee benefit expense

	Unaudited Six months ended		*Audited* Year ended
	30 June 2024	30 June 2023	31 December 2023
	US$'000	US$'000	US$'000
Wages and salaries	7,699	8,691	15,712
Social security costs	850	845	1,610
Pension costs – defined contribution schemes	374	363	723
Severance pay costs	479	228	393
Employee benefit expense before capitalisation	**9,402**	**10,127**	**18,438**
Capitalised labour(i)	(194)	(951)	(515)
Employee benefit expense after capitalisation	**9,208**	**9,176**	**17,923**
Share based payments charge	629	544	671
Total	**9,837**	**9,720**	**18,594**
Total employee expense before capitalisation	**10,031**	**10,671**	19,109
Capitalisation (i)	(194)	(951)	(515)
Total employee benefit expense	**9,837**	**9,720**	**18,594**

(i) *The capitalised employee costs are included in Capitalised Development costs (Note 16) together with relevant contractor costs.*

7. Exceptional items

	Unaudited Six months ended		*Audited* Year ended 31 December 2023
	30 June 2024	30 June 2023	
	US$'000	U$'000	US$'000
Professional fees in relation to investigations, business transformation programme and litigation procedures	76	210	453
Release of provision for costs associated with complying with regulatory investigations	-	(34)	(35)
Severance pay costs	479	228	327
Costs associated with related party loan extension	-	128	-
Impairment of non-current assets	-	-	46
Total	**555**	**532**	**791**

7. Exceptional items (continued)

The exceptional items that arose in respect of the year ended 31 December 2023 are described in Note 23 of the Group's 2023 Annual Report. The exceptional items that arose in respect of the period ended 30 June 2023 are described in Note 7 of the Group's 2023 Interim Financial Report. The exceptional items incurred in respect of the six months ended 30 June 2024 are outlined below.

PROFESSIONAL FEES

During H1 2024 the Group incurred additional professional fees relating to previously disclosed exceptional items. The costs incurred in H1 2024 primarily relate to professional legal fees relating to the ongoing Lufthansa and Swiss Airlines contractual dispute.

SEVERANCE PAY

During H1 2024 the company implemented a cost savings project across the business which resulted in a number of positions becoming redundant. These costs relate primarily to the cost savings project. The associated redundancy & severance pay has been classified as exceptional given that it is a non-recurring material balance.

REGULATORY INVESTIGATION PROVISION RELEASE

The Group historically recognised a provision which relates to legal and compliance costs of ongoing regulatory investigations and the necessary requirements to obtain an end to the suspension order on the trading of the Group's shares on the Euronext Dublin exchange. The regulatory investigation and suspension of trading of the Group's shares arose following the significant breakdown in internal financial controls as disclosed in the 2018 Annual Report. The movement in the current year relates to the release of those parts of the provision no longer required upon review by management.

8. Other gains

	Unaudited		*Audited*
	Six months ended		**Year ended**
	30 June 2024	**30 June 2023**	**31 December 2023**
	US$'000	**US$'000**	**US$'000**
Net foreign exchange gains/(losses)	703	(108)	(430)
Net total	**703**	**(108)**	**(430)**

9. Trade and other receivables and contract assets

	Unaudited 30 June 2024 US$'000	*Audited* 31 December 2023 US$'000
Current trade and other receivables and contract assets		
Trade receivables	6,749	8,159
Less: allowance for expected credit losses on trade receivables	(3,032)	(3,171)
Trade receivables – net	**3,717**	**4,988**
Contract assets	1,314	2,423
Less: allowance for expected credit losses on contract assets	(39)	(59)
Contract assets – net	**1,275**	**2,364**
Prepayments	900	576
Research and development tax credits	232	240
VAT receivable	204	122
Other receivables	48	108
Total other receivables	**1,384**	**1,046**
Total trade and other receivables and contract assets	**6,376**	**8,398**

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

	Unaudited 30 June 2024 US$'000	*Audited* 31 December 2023 US$'000
US dollar	2,722	3,398
Euro	4,602	4,698
Pound Sterling	739	2,486
Total	**8,063**	**10,582**

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. The Group does not hold collateral as security.

10. Borrowings

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
Lease liabilities (Note 17)	876	1,161
Secured loan from related party	17,304	16,196
Total borrowings	**18,180**	**17,357**
Disclosed as		
Current	17,598	16,620
Non-current	582	737
Total borrowings	**18,180**	**17,357**

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
Current	294	424
Non-current	582	737
Total lease liabilities	**876**	**1,161**

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

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
US dollar	25	163
Euro	582	671
Pound Sterling	269	327
Total	**876**	**1,161**

SECURED LOAN FROM RELATED PARTY

On 28 May 2021, Tireragh Limited entered into the second amendment and restatement agreement with the Company under which the Company and Tireragh Limited agreed that, conditional upon approval by the Company's independent shareholders, the completion of a capital raise and the repayment of the amounts then outstanding under the Tireragh Limited facility, the Group would have access to the Facility B, a credit facility of up to €10 million which could be drawn down for general working capital purposes until 31 December 2023 with a repayment date of 30 June 2023. The facility became effective on 8 July 2021.

The second amendment and restatement agreement provides that unless and until a loan is outstanding, the obligations relating to (i) noncompliance with financial covenants and (ii) cross default will not apply but must be satisfied in advance of any drawdown under Facility B.

10. Borrowings (continued)

The company continues to have access to the Facility B credit facility of up to €10 million as described above. At 30 June 2024, all €10m under Facility B had been drawn down.

On 11 April 2023, Tireragh Limited entered into the third amendment and restatement agreement with the Company. This amended and restated the facilities agreement to extend the repayment date for all amounts owing to Tireragh Limited from 30 June 2023 out to 31 December 2024, 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 increased from 10 per cent per annum to 15.5 per cent per annum with effect from 11 April 2023, increased to 16.5 per cent per annum from 1 July 2023 and will increase to 18 per cent per annum from 1 October 2023. The rate changes also apply to Facility C which is discussed below.

On 14 September 2023, Tireragh Limited entered into the fourth amendment and restatement agreement with the Company which provides the Group with an additional credit facility of €5 million ("Facility C"). At the 30 June 2024 the Group has drawn down €13 million from the Tireragh Limited loan facility (31 December 2023 : €13 million). All amounts drawn under the Groups facilities with Tireragh Limited are required to be repaid by 31 December 2024. Following the period end, on 3 July 2024 the Group drew down the remaining €2 million from the Tireragh Limited loan facility. ("Facility C"). This brings the total loan facility drawn down to €15 million.

These facilities require cross guarantees to be provided by the Company and Datalex (Ireland) Limited. Additionally, Datalex USA, Inc. and Datalex Solutions (UK) Limited were required to act as additional guarantors of the Facility. The obligations of the Company and each of the guarantors to Tireragh Limited, include:

(i) A debenture entered into by the Company creating fixed and floating charges over all of its assets, undertaking and goodwill as security for its and the other guarantors' obligations to Tireragh Limited with respect to the facility;

(ii) A debenture creating fixed and floating charges over all of Datalex Ireland Limited's assets, undertaking and goodwill as security for its and the other guarantors' obligations to Tireragh Limited with respect to the facility;

(iii) Security provided over the shares of Datalex USA Inc. and Datalex Solutions (UK) Limited granted by Datalex (Ireland) Limited;

(iv) US law security over such assets, undertaking and goodwill of Datalex USA Inc. as may be permissible as a matter of US law as security for its and the other guarantors' obligations to Tireragh Limited with respect to the Tireragh Limited facilities;

(v) A debenture entered into by Datalex Solutions (UK) Limited granting fixed and floating charges over all of its assets, undertaking and goodwill as security for its and the other guarantors' obligations to Tireragh Limited with respect to the Tireragh Limited facilities; and

(vi) Requirements to adhere to certain financial covenants, as outlined below:

The key financial covenants pertaining to the loan facilities with Tireragh Limited are:

- Achievement of Revenue and EBITDA targets, subject to agreed performance criteria, on a six month rolling basis.
- Achievement of Cash & Bank balances and Working Capital targets on a monthly basis, subject to agreed performance criteria and testing over two consecutive months.

The existing security granted by members of the Datalex Group will continue to secure all obligations under the Tireragh Limited facilities agreement as will the obligations listed at (i) to (vi) above.

10. Borrowings (continued)

The loan balance payable under the Tireragh Limited facilities (which is denominated in euro) was comprised of:

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
At start of period	16,196	5,470
Drawdown	-	8,576
Debt issuance costs	-	(229)
Debt issuance cost- amortisation	74	80
Interest charges	1,519	1,802
Foreign exchange	(485)	497
At end of period	17,304	16,196

11. Provisions

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
Current		
Regulatory costs compliance	64	90
Onerous contract	-	-
Total current	64	90
Non-current		
Regulatory costs compliance	127	96
Total non-current	127	96
Total provisions	**191**	**186**

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.

11. Provisions (continued)

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 the Gardai.

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
At start of period	186	255
Released to the income statement	-	(35)
Unwinding of discount	9	-
Foreign exchange	(4)	8
Used in period	-	(42)
At the end of period	**191**	**186**

B. ONEROUS CONTRACT

In 2022 one customer contract has been identified as loss making and expected future losses have been provided for in full. This contract was completed in 2023, and the onerous provision was fully released.

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
At start of period	-	24
Used in the period	-	(24)
At the end of period	**-**	**-**

12. Trade and other payables

	Unaudited 30 June 2024 US$'000	*Audited* 31 December 2023 US$'000
Trade payables	2,824	3,138
Accruals	2,309	1,621
Pension contributions	119	138
Social security and other taxes	1,639	1,459
VAT payable	-	47
Other payables	-	7
Total current trade and other payables	**6,891**	**6,410**
Social security and other taxes	5,026	5,633
Total non-current trade and other payables	**5,026**	**5,633**
Total trade and other payables	**11,917**	**12,043**

The fair values of trade and other payables approximate the values shown above.

TRADE PAYABLES

The period-on-period variance in trade payables is as a result of the timing of payments for various vendors. Amounts payable for contractors, hosting partners & professional services have all increased since 31 December 2023.

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

	Unaudited 30 June 2024 US$'000	*Audited* 31 December 2023 US$'000
US dollar	1,480	1,021
Euro	1,949	2,077
Pound sterling	103	35
Other	12	5
Total	**3,544**	**3,138**

SOCIAL SECURITY AND OTHER TAXES

During the prior period the Group availed of certain Irish Government facilities in response to the COVID-19 pandemic. This allowed the Group to warehouse employment taxes for payment at a future date. The classification of warehoused employment taxes within current and non-current liabilities reflects the repayment schedule.

13. Contract Liabilities

Contract liabilities represent amounts received from customers in advance of the contractual performance obligations being 'satisfied'.

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
Advances for service performance obligations	2,739	3,226
Advances for platform performance obligations	4,723	4,605
Total	**7,462**	**7,831**
Current	**7,462**	**7,831**
Non-current	-	**-**

14. Income tax

	Unaudited Six months ended		*Audited* Year ended
	30 June 2024	30 June 2023	31 December 2023
	US$'000	US$'000	US$'000
Current tax			
Income tax charge	3	6	32
Current tax expense for the period	**3**	**6**	**32**

No deferred tax assets have been recognised in respect of the loss incurred in the six months ended 30 June 2024 due to uncertainties surrounding the utilisation of the assets against future taxable profits.

Further information on the income tax expense recorded in the year ended 31 December 2023 is set out in Note 9 to the Group's 2023 Annual Report.

15. Loss per share

Basic	*Unaudited* Six months ended 30 June 2024	30 June 2023	*Audited* Year ended 31 December 2023
Loss attributable to ordinary shareholders (US$'000)	(6,062)	(6,158)	(9,020)
Weighted average number of ordinary shares outstanding	132,685,175	132,677,010	132,679,855
Basic loss per share (in US$ cents)	**(4.6)**	**(4.6)**	**(6.80)**

Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased/ issued by the Company and held as treasury shares.

Diluted	*Unaudited* Six months ended 30 June 2024	30 June 2023	*Audited* Year ended 31 December 2023
Loss attributable to ordinary shareholders (US$'000)	(6,062)	(6,158)	(9,020)
Weighted average number of ordinary shares outstanding – basic	132,685,175	132,677,010	132,679,855
Adjustment for share options and share awards	-	-	-
Weighted average number of ordinary shares outstanding – diluted	132,685,175	132,677,010	132,679,855
Diluted loss per share (in US$ cents)	**(4.6)**	**(4.6)**	**(6.80)**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The categories of dilutive potential ordinary shares of the Group are employee share options, being the 2012 employee share option schemes, 2020 long-term incentive plan, and save-as-you-earn scheme. 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 six months ended 30 June 2024 and 30 June 2023, and for the year ended 31 December 2023 due to the loss recorded by the Group in these periods. The share options could potentially dilute basic earnings per share in the future.

16. Intangible assets

This note details the intangible assets utilised by the Group to generate revenues and contribute to recorded results. The cost of software primarily represents the amounts originally paid to bring the software into use. Acquired computer software licences 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.

	Software	Product development	Product development WIP	Total
	US$'000	US$'000	US$'000	US$'000
Unaudited				
Cost				
At 1 January 2023	**887**	**5,191**	**612**	**6,690**
Additions	47	-	950	**997**
Transfers	-	231	(231)	**-**
At 30 June 2023	**934**	**5,422**	**1,331**	**7,687**
Accumulated amortisation				
At 1 January 2023	**(550)**	**(1,249)**	**-**	**(1,799)**
Amortisation	(63)	(866)	-	**(929)**
At 30 June 2023	**(613)**	**(2,115)**	**-**	**(2,728)**
Closing net book value at 30 June 2023	**321**	**3,307**	**1,331**	**4,959**
Audited				
Cost				
At 1 January 2023	**887**	**5,191**	**612**	**6,690**
Additions	95	-	1,339	**1,434**
Impairment	-	-	(46)	**(46)**
Disposals	-	(14)	-	**(14)**
Transfers	-	1,045	(1,045)	**-**
At 31 December 2023	**982**	**6,222**	**860**	**8,064**
Accumulated amortisation				
At 1 January 2023	**(550)**	**(1,249)**	**-**	**(1,799)**
Disposals	-	14	-	**14**
Amortisation	(126)	(1,824)	-	**(1,950)**
At 31 December 2023	**(676)**	**(3,059)**	**-**	**(3,735)**
Closing net book value at 31 December 2023	**306**	**3,163**	**860**	**4,329**

16. Intangible assets (continued)

	Software	Product development	Product development WIP	Total
	US$'000	US$'000	US$'000	US$'000
Unaudited				
Cost				
At 1 January 2024	**982**	**6,222**	**860**	**8,064**
Additions	15	-	491	**506**
Impairment	-	-	(132)	**(132)**
Transfers	-	181	(181)	**-**
At 30 June 2024	**997**	**6,403**	**1,038**	**8,438**
Accumulated amortisation				
At 1 January 2024	**(676)**	**(3,059)**	**-**	**(3,735)**
Amortisation	(73)	(967)	-	**(1,040)**
At 30 June 2024	**(749)**	**(4,026)**	**-**	**(4,775)**
Closing net book value at 30 June 2024	**248**	**2,377**	**1,038**	**3,663**

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 period. These are now available for deployment to our existing customers and any potential new customers. Amortisation of these costs has commenced from the date that they are complete and ready for deployment.

AMORTISATION

Intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation, and amortisation commences once the asset is available for use as stated in Note 2.9 of the Group's 2023 Annual Report. Amortisation is recognised as an expense in the Consolidated Statement of Profit and Loss.

17. Right-of-use assets & lease liabilities

The movements in right-of-use assets in the period were as follows:

	Office Buildings	Computer Equipment	Motor Vehicles	Total
	US$'000	US$'000	US$'000	US$'000
Right-of-use assets				
Unaudited				
Period ended 30 June 2023				
Opening cost	**2,194**	**887**	**52**	**3,133**
Additions	865	-	-	865
Closing cost	**3,059**	**887**	**52**	**3,998**
Opening accumulated depreciation	**(1,606)**	**(882)**	**(47)**	**(2,535)**
Depreciation – Right of Use Assets	(230)	(5)	(4)	(239)
Closing accumulated depreciation	(1,836)	(887)	(51)	(2,774)
At 30 June 2023				
Cost	3,059	887	52	3,998
Accumulated depreciation	(1,836)	(887)	(51)	(2,774)
Closing net book value	**1,223**	**-**	**1**	**1,224**
Audited				
Year ended 31 December 2023				
Opening cost	**2,194**	**887**	**52**	**3,133**
Additions	773	-	-	773
Disposals	(887)	-	(52)	(939)
Foreign currency translation adjustment	3	-	-	3
Closing cost	**2,083**	**887**	**-**	**2,970**
Opening accumulated depreciation	**(1,606)**	**(882)**	**(47)**	**(2,535)**
Depreciation – Right of Use Assets	(377)	(5)	(5)	(387)
Disposals	887	-	52	939
Foreign currency translation adjustment	(2)	-	-	(2)
Closing accumulated depreciation	**(1,098)**	**(887)**	**-**	**(1,985)**
At 31 December 2023				
Cost	2,083	887	-	2,970
Accumulated depreciation	(1,098)	(887)	-	(1,985)
Closing net book value	**985**	**-**	**-**	**985**

17. Right-of-use assets & lease liabilities (continued

	Office Buildings	Computer Equipment	Motor Vehicles	Total
	US$'000	US$'000	US$'000	US$'000
Unaudited				
Period ended 30 June 2024				
Opening cost	2,083	887	-	2,970
Closing cost	2,083	887	-	2,790
Opening accumulated depreciation	**(1,098)**	**(887)**	**-**	**(1,985)**
Depreciation – Right of Use Assets	(188)	-	-	(188)
Closing accumulated depreciation	**(1,286)**	**(887)**		**(2,173)**
At 30 June 2024				
Cost	2,083	887	-	2,970
Accumulated depreciation	(1,286)	(887)	-	(2,173)
Closing net book value	**797**	**-**	**-**	**797**

LEASE LIABILITIES

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 30 June 2024		As at 31 December 2023	
	Discounted	*Undiscounted*	*Discounted*	*Undiscounted*
	US$'000	US$'000	US$'000	US$'000
Within one year	294	368	424	527
Between one and two years	297	343	289	350
Between two and three years	189	209	255	288
Between three and four years	96	100	193	206
Total	**876**	**1,020**	**1,161**	**1,371**

17. Right-of-use assets & lease liabilities (continued)

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

	2024	2023
	US$'000	US$'000
Payments	(324)	(642)
Discount unwinding	54	146
Total	**(270)**	**(496)**

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:

	2024	2023
	US$'000	US$'000
Short-term leases	71	120
Total	**71**	**120**

18. Deferred contract fulfilment costs

This note details the deferred contract fulfilment costs that arise from customer service contracts and comprise of staff and contractor / outsourced 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 deferred contract fulfilment costs asset in the period were as follows:

	Unaudited 30 June 2024	*Audited* 31 December 2023
	US$'000	US$'000
At start of period	-	131
Costs released upon fulfilment of customer performance obligations	-	(131)
At end of period	-	-

19. 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.

	Unaudited 30 June 2024 US$'000	*Audited* 31 December 2023 US$'000
Cost		
Opening at 1 January	350	137
Additions	-	213
Closing at	**350**	**350**
Accumulated amortisation		
Opening at 1 January	30	4
Amortisation charge	16	26
Closing at	**46**	**30**
Opening net book value	320	133
Closing net book value	**304**	**320**

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

	Unaudited Six months ended 30 June 2024 US$'000	*Unaudited* Six months ended 30 June 2023 US$'000
Less than one year	45	45
Between two and five years	206	205
Greater than five years	53	70
Total	**304**	**320**

20. Share capital

There were 132,685,175 ordinary shares in issue at 30 June 2024 (31 December 2023: 132,685,175).

21. Cash used in operations

	Unaudited Six months ended		*Audited* Year ended
	30 June 2024	**30 June 2023**	**31 December 2023**
	US$'000	**US$'000**	**US$'000**
Loss before income tax	(6,059)	(6,152)	(8,988)
Adjustments for:			
Finance costs – net	1,647	582	2,043
Depreciation	36	59	115
Depreciation of right-of-use assets	189	250	387
Amortisation – development costs	967	866	1,824
Amortisation – software	73	63	126
Deferred commission amortisation	-	131	131
Net movement in ECL on financial and contract assets	(159)	101	105
Impairment losses	132	-	46
Share-based payments cost	629	544	671
Exchange translation (gains)/losses	(703)	346	377
Loss on disposal of fixed assets	-	-	3
	(3,248)	**(3,210)**	**(3,160)**
Changes in working capital:			
Trade and other receivables	1,317	(4,093)	(4,093)
Contract assets	1,109	(187)	(1,181)
Contract acquisition costs	16	(164)	(187)
Trade and other payables	(126)	1,413	(391)
Contract liabilities	(369)	(981)	2,155
Provisions	15	(80)	(93)
Cash used in operations	**(1,286)**	**(7,302)**	**(6,950)**

22. Related party transactions

The Group's principal related parties are the Group's subsidiaries, lenders and key management personnel of the Group. The following transactions were entered with related parties during the period:

A. KEY MANAGEMENT PERSONNEL

Key management personnel include the two Executive Directors who held office during the period six months ended 30 June 2024: (six months ended 30 June 2023 two Executive Directors), the five Non-Executive Directors (six months ended 30 June 2023: five Non-Executive Directors) and six members of the senior management team (six months ended 30 June 2023: seven members).

	Unaudited Six months ended 30 June 2024	*Unaudited* Six months ended 30 June 2023
	US$'000	US$'000
Short term employee benefits (1)	1,102	1,318
Share-based payment charge (2)	360	183
Retirement benefits expense (3)	60	52
Total	**1,522**	**1,553**

(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.
(3) Retirement benefits accrued in the period to two Executive Directors (six months ended 30 June 2023: two Directors) and five members of the senior management team (six months ended 30 June 2023: eight members) under 2defined contribution schemes.

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

	Unaudited Six months ended 30 June 2024	*Unaudited* Six months ended 30 June 2023
	US$'000	US$'000
Directors' fees	**163**	**161**

B. TRANSACTIONS WITH TIRERAGH LIMITED

As more fully explained in Note 10 above, the Group has a secured loan facilities agreement with Tireragh Limited. Tireragh Limited is a related party ultimately beneficially owned by Mr. Dermot Desmond. At 30 June 2024, the total balance payable to Tireragh Limited under this arrangement was $17.3m or €16.2m (31 December 2023: $16.2m or €14.9m). The Group incurred finance costs of $1.6m or €1.5m in H1 2024 in relation to this loan facility. (H1 2023:$0.6m or €0.5m).

C. OTHER

Details of related party transactions in respect of the year ended 31 December 2023 are contained in Note 29 of the Datalex plc Annual Report 2023. The Group continued to enter into transactions in the normal course of business with its related parties during the period. Other than as disclosed above there were no transactions with related parties in the first half of 2024 or changes to transactions with related parties disclosed in the 2023 Annual Report that had a material effect on the financial position or performance of the Group.

23. Dividends

The Directors do not propose an interim dividend in respect of the six months ended 30 June 2024 (30 June 2023: nil)

24. Contingencies

The Group remains subject to several ongoing regulatory investigations related to past events, including the illegal intercompany dividend, retracted market guidance, and the refiling of the 2018 half-year Financial Statements. While the Group has made provisions for the direct costs associated with these investigations, no provision has been made for any potential fines due to the uncertainty surrounding the outcomes. There has been no material change in these contingencies during the reporting period, and the timing of the regulatory conclusions remains uncertain.

25. Events occurring after the statement of financial position date

The subsequent events that have occurred after the 30 of June 2024 are as follows;

- On 3 July 2024 the Group drew down €2 million from the Tireragh Limited loan facility. (“Facility C”). This brings the total loan facility drawn down to €15 million.
- As disclosed in our FY23 Annual Report, we signed an agreement with LATAM Airlines in 2023. Although the project achieved its primary endpoints, it was agreed that this solution will not be part of LATAM Airlines’ or Datalex’s short term priorities and will not proceed. In August 2024, our agreement with LATAM was mutually terminated. We derived significant value and insight from this project and will continue to invest in co-innovation projects with airlines, where we see strategic areas of opportunity and a joint return on investment.

26. Principal risks and uncertainties

The principal risks and uncertainties faced by the Group were last outlined on pages 30 to 33 of the Group’s 2023 Annual Report. The Annual Report is available on our website www.datalex.com/investors

The risks highlighted in the Annual Report remain relevant for the remaining six months. Among other factors that are subject to change and could impact expected results for the remainder of the year are:

- **Financing Risk:** If the Group is unable to attract appropriate finance, this would impact on its ability to continue to invest and grow.

  Developments in 2024
  One of the key risks facing the Group is the repayment of the Tireragh Limited loan facility, due on 31 December 2024. As of 30 June 2024, this loan consisted of a principal amount of €13 million and accrued interest of €3.2 million. After the period ended, an additional €2 million was drawn from the loan facility in July 2024. Current cash flow forecasts suggest that, without additional funding, the Group will not have sufficient resources to meet this repayment obligation.

  Mitigation
  To mitigate this risk, on 28 August 2024 the Group has separately announced that it intends to complete a capital raise, by way of a Firm Placing and Placing and Open Offer, to raise approximately €25 million (before expenses). Funds raised will be used to repay the entire Tireragh Limited debt facility and provide working capital for at least the next six months to invest in key near term priority areas. This effort is supported by the Group’s largest shareholders, who have expressed their intention to participate in the proposed capital raise.

  It is the Board’s intention to raise further capital in the first half of 2025. The Board estimates that a minimum €5 million of further capital will be required, but the quantum and timing will be determined by the pace at which the Board wishes to invest in its anchor solution and in new product offerings. Accelerated investment would be supported by a strong pipeline of opportunities and a clear line of sight on the potential revenue and margin growth. The Board’s expectation is based on current estimates and may change should future opportunities arise for the Group that require additional investment or should the Group’s financial position exceed expectations. The Board is confident that the Group will be able to secure the additional funding required in 2025.

27. Litigation and Disputes

There has been no material change in the Group’s legal dispute with Lufthansa and its subsidiary airline, Swiss International Airlines since the publication of the Datalex plc’s Annual Report for the year ended 31 December 2023.

28. Distribution of interim report

This interim report is available on the Group’s website www.datalex.com. Copies are also available to the public from the Company’s registered office at Block V, EastPoint, Dublin, D03 AX24, Ireland.

Datalex (Ireland) Ltd.,
Marina House,
Block V,
Dublin 3,
D03 AX24,
Ireland,

+353 1 806 3500
info@datalex.com

Datalex.com

Transforming Airline Retail