



TRADING UPDATE

This announcement contains inside information

Dublin, Ireland - 15 January 2019: Datalex plc (Euronext Dublin: DLE), a leading provider of digital commerce solutions to global travel retailers, today issues the following statement.

The Board has revised its guidance for adjusted EBITDA for FY 2018 and now expects to report an adjusted EBITDA loss in the range of -\$4m to -\$1m. This is principally due to a shortfall in services revenue caused by a failure by year end to recover costs incurred in the delivery of the services revenue component of a significant customer deployment because customer negotiations regarding the recovery of this revenue shortfall have not concluded but are ongoing. Any such recovery will not be reflected in the FY 2018 results.

A substantial element of the revised guidance reflects changes in the timing of recognition by the Group of certain contracted revenue. Most of this revenue, not recognised in 2018, will be recognised in 2019 and 2020.

The Group confirms a net cash position of \$8.8m at year end.

The Board now considers, arising from the preparation of its full year results for 2018, that the Group's revenue, adjusted EBITDA and profit for the half year ended 30 June 2018 may have been misstated principally due to the accelerated recognition of revenue associated with the significant customer deployment. The Board believes that the issue principally comprises in-year timing differences corrected by the end of the year and this has been reflected in the revised guidance given above. The Board has asked a leading accountancy firm to undertake an independent review of this issue.

The Company will review its FY 2019 guidance and will update the market in early February.

Commenting today, Aidan Brogan, CEO of Datalex said:

"Today's announcement is extremely disappointing for me personally, for the team at Datalex and for our supportive shareholders. For my part, I can assure all our stakeholders that we have already identified certain key areas that require improvement and are taking corrective action. The fundamentals of the business remain strong. We are confident this is a once off and we will return to profitability in 2019."

-Ends-

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This announcement contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results. Datalex undertakes no obligation to update any forward-looking statements.

The financial statements for FY 2018 will be prepared in accordance with International Financial Reporting Standard 15 "Revenue from contracts with customers" (IFRS 15) which came into effect on 1 January 2018. The main impact of the new standard relates to the timing of when revenue and costs are recognised during a customer contract (in particular on new deployments). The guidance outlined above for FY2018 is before any impact from IFRS 15, and the results to be reported for FY2018 will clearly identify any such impact.