

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. With the publication of this announcement, this information is now considered to be in the public domain.

DATALEX PLC

Proposed related party transaction and Notice of Extraordinary General Meeting

Dublin, Ireland – 7 September 2020: Datalex plc (the “Company” or the “Group”) (Euronext Dublin: DLE), a market leader in transformative airline retail products and solutions, announces that it has today entered into an agreement with Tíreragh Limited, the investment vehicle ultimately beneficially owned by Mr. Dermot Desmond, (“**Tíreragh**”) for the revision of the Group’s loan arrangements with Tíreragh.

The Amendment and Restatement Agreement entered into today will, conditional upon approval of the proposed transaction by Independent Shareholders, amend and restate the Facility Agreement that was approved by Shareholders on 15 November 2019 to extend the repayment date for all amounts owing to Tíreragh from 1 November 2020 to 1 November 2021 and to increase the facilities available to the Company by €10 million.

The Company will today publish a circular (the “**Circular**”) and Notice of Extraordinary General Meeting (the “**EGM**”) convening an EGM of the Company to be held at Block U, Eastpoint Business Park, Clontarf, Dublin D03 H704, Ireland on 24 September 2020 at 11.15 am Dublin time to approve the proposed related party transaction, further details of which are set out below.

The Company plans to conduct the EGM in accordance with the Irish Government’s COVID-19 related public health measures and public health advice. As stated in the Notice of EGM, all shareholders are strongly encouraged to vote by proxy on this occasion so they can be represented at the EGM without having to physically attend the meeting. To facilitate shareholder communication, the EGM will also be broadcast by conference call. Details of the conference call will be posted on our website www.datalex.com/investor.

Unless the context requires otherwise, defined terms used in this announcement shall have the meaning given in the Circular.

Details of the Related Party Transaction

On 7 September 2020, the Company entered into the Amendment and Restatement Agreement with Tíreragh Limited which, if it becomes effective, will amend and restate the Facility Agreement (the Facility Agreement, as so amended and restated, being the Amended and Restated Facilities Agreement).

Tíreragh is a Related Party for the purpose of the Related Party Transaction Rules by virtue of IIU’s registered holding of approximately 29.8 per cent of the Ordinary Share capital of the Company (IIU is a company ultimately beneficially owned by Mr. Desmond). Therefore, the availability and draw down of the increased facility in accordance with the terms and subject to the conditions set out in the Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement are conditional upon the approval of Independent Shareholders of the Company in accordance with the Related Party Transaction Rules. In accordance with those rules, only those Shareholders other than IIU and its associates (“**Independent Shareholders**”) may vote in relation to the Proposed Transaction. Accordingly, IIU has undertaken to abstain, and to ensure that its associates will abstain, from voting on the Resolution.

The Board (other than John Bateson who, as the representative of IIU on the Board, excluded himself from the Board's consideration of, and determinations in relation to, the Proposed Transaction and does not join in the recommendation) believes that the Proposed Transaction is in the best interests of the Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the EGM as the Directors (other than John Bateson) intend to do with regard to their own respective beneficial holdings.

Summary of the Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement

The following is a summary of the principal terms of the Amendment and Restatement Agreement and of the Amended and Restated Facilities Agreement. The Amendment and Restatement Agreement and the Amended and Restated Facilities Agreement are available for inspection as described in Part III of the Circular.

1. Amendment and Restatement Agreement

The Company has entered into the Amendment and Restatement Agreement with Tিরeragh which, if it becomes effective, will amend and restate the Facility Agreement.

The obligations of the parties under the Amendment and Restatement Agreement are subject to approval at the EGM by the Independent Shareholders of the Proposed Transaction as a Related Party transaction for the purpose of Chapter 11 of the Listing Rules. If and when such approval is obtained, the related condition to the Amendment and Restatement Agreement will be satisfied and the Proposed Transaction will (subject to satisfaction of certain other customary documentary conditions precedent) complete, allowing the Company to draw down funds in accordance with the terms of the Amended and Restated Facilities Agreement.

The principal amendments to the Facility Agreement to be effected by the Amendment and Restatement Agreement are:

- Tিরeragh will make available to the Company a term loan facility in the amount of approximately €10 million (to be termed "Facility B"), additional to the term loan facility in the amount of approximately €11.3 million (which is fully drawn) (to be termed "Facility A");
- the repayment date for all amounts owing to Tিরeragh under the Facility Agreement (including those under Facility A and Facility B) will be extended from 1 November 2020 to 1 November 2021; and
- in consideration of Tিরeragh's agreement to provide and maintain the funding provided under the Amended and Restated Facilities Agreement, to extend the term of Facility A, and to increase the facility available under the Facility Agreement by €10 million, the Company would pay Tিরeragh financing, facility extension and arrangement fees in an aggregate amount of €2.74 million on the repayment date, 1 November 2021 (together with all other amounts then due and payable).

Under the terms of the Amendment and Restatement Agreement:

- each member of the Group that is a borrower or guarantor under the Facility Agreement confirms that the Existing Security will continue to secure all obligations under the Amended and Restated Facilities Agreement; and
- as a condition to Tিরeragh agreeing to amend and restate the Facility Agreement, each relevant member of the Group will be required to enter into a deed of confirmation confirming that it will continue to be bound by the subordination provisions in the Subordination Agreement.

2. Amended and Restated Facilities Agreement

Facilities

Under the terms of the Amended and Restated Facilities Agreement, Tíreragh will make available to the Company for general corporate and working capital purposes:

- a term loan facility in the amount of approximately €11.3 million (which is fully drawn) (“Facility A”); and
- a term loan facility in the amount of approximately €10 million (“Facility B”)

which may be drawn down by the Company by way of one or more advances (but no more than 12). Interest is charged on each amount drawn down by the Company at a rate of 10 per cent. per annum, such interest to accrue from the date of drawdown, compounding monthly and to be rolled up until maturity.

Termination date

The Amended and Restated Facilities Agreement has a termination date of 1 November 2021. All outstanding amounts under the Amended and Restated Facilities Agreement (including principal, accrued interest and fees) must be paid by the Company to Tíreragh in one sum on or before this date. Tíreragh shall release and discharge all security held in respect of the Amended and Restated Facilities Agreement upon discharge by the Company in full of all such liabilities.

Indemnities, representations and covenants

The Company provides certain indemnities to Tíreragh under the Amended and Restated Facilities Agreement. The Company will, for example, indemnify Tíreragh, on demand, for any cost, loss or liability incurred by it as a result of a failure by the Company to pay any amount due under the Transaction Documents on its due date. The Amended and Restated Facilities Agreement also contains certain standard representations, warranties and undertakings to be given by the Company and each other member of the Group that is a guarantor under the Amended and Restated Facilities Agreement including warranties as to the status of the Company and other members of the Group.

Under the terms of the Amended and Restated Facilities Agreement, each member of the Group that is or becomes party to the Amended and Restated Facilities Agreement gives (and the Company agrees to procure the same in relation to other members of the Group) an undertaking not to raise further financial indebtedness, an undertaking not to grant security, an undertaking not to sell, transfer or otherwise dispose of any of its assets in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset and an undertaking not to dispose of assets, in each case unless permitted under the terms of the Amended and Restated Facilities Agreement.

The Company under the terms of the Amended and Restated Facilities Agreement has agreed a range of informational and performance-related covenants. The Company has agreed to supply to Tíreragh annual consolidated financial statements for the Group, and certain members of the Group, within 120 days of the end of the financial year, consolidated financial statements for each financial half year within 60 days of the end of that period and monthly financial statements within 20 days of the end of each month. The Company has also agreed to supply to Tíreragh budget projections for the Group on a monthly basis, including projected consolidated profit and loss, balance sheet and cashflow statements, within 15 days before the start of each financial year.

Events of default

There are a number of events described in the Amended and Restated Facilities Agreement which constitute an Event of Default for the purpose of the agreement, such as insolvency events, non-compliance with obligations under the Amended and Restated Facilities Agreement and the other related documents and the Company ceasing to carry on all or a material part of its business.

Under the terms of the Amended and Restated Facilities Agreement, the Group's performance against budget projections delivered pursuant to the agreement will be tested monthly, and failure to meet (in respect of each six month period ending on a testing date) projected revenue or consolidated EBITDA by a 20 per cent. or greater margin and/or (on any two consecutive testing dates) actual net working capital being less than 80% of projected net working capital and/or (on any two consecutive testing dates) actual cash being less than the lower of (i) 80% of projected cash and (ii) projected cash less €300,000 will constitute an Event of Default. For the purpose of these provisions: (i) consolidated EBITDA is measured as earnings before charges or credits for interest, taxation, depreciation, amortisation, foreign exchange gains or losses, impairment allowances and charges and exceptional items; (ii) net working capital is measured as including total trade and other receivables, total contract assets, total contract fulfilment and contract acquisition costs, cash and cash equivalents, less total trade and other payables, total contract liabilities, provisions and income tax liabilities; and (iii) performance against budget over the term of the Amended and Restated Facilities Agreement will be measured against budget projections approved by the Board on 19 June 2020, as updated or revised from time to time in accordance with the terms of the Amended and Restated Facilities Agreement.

Under the terms of the Amended and Restated Facilities Agreement, a Material Adverse Effect will also constitute an Event of Default. The occurrence of any event or circumstance which, in the reasonable opinion of Tíreragh, has or is reasonably likely to have a material adverse effect on, inter alia, the business, operations, property or financial condition of the Group taken as a whole will constitute a Material Adverse Effect.

The terms of these Events of Default are unchanged from those set out in the Facility Agreement that was approved by Shareholders in November 2019.

On, and at any time after, the occurrence of an Event of Default which is continuing Tíreragh may, inter alia, cancel any undrawn portion of Facility A or Facility B, declare that all or part of any amounts outstanding under the Amended and Restated Facility Agreement be immediately due and payable or payable on demand by Tíreragh and enforce the terms of the Existing Security.