

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 2020 Guidance and Trading Update

Dublin, Ireland – 20 November 2020: Datalex plc (the “Company” or the “Group”) (Euronext Dublin: DLE), a market leader in digital commerce for travel retail, today provides an update on current trading and expected financial performance for the current financial year.

The Group’s earnings performance for the year to date is ahead of expectations, despite very challenging ongoing market conditions caused by COVID-19 that have negatively impacted our total revenue. Based on current assumptions, the Company expects to report adjusted EBITDA on a constant currency basis of \$3.75 million to \$4.5 million during 2020, compared to previous Company guidance of adjusted EBITDA of \$0.75 million to \$1.5 million (see notes below regarding basis of preparation). This expected increase is primarily due to the combined effects of improved revenues in the second half of the year, enhanced revenue recognition due to increased probability of certain customer renewals in 2020, non-recurring employee cost savings in 2020 and the release of certain balance sheet bad debt provisions under IFRS 9.

Similar to other companies with exposure to the travel industry, Datalex continues to face challenging market conditions as airlines seek to cut costs in the short term. Recently, the Company has received an indication from two of its customers, one European and one Asia-Pacific based, that they will significantly reduce the scope of or cease services in 2021 as they consolidate their technology. Whilst disappointing, the Company will benefit from the internal cost adjustments made this year and further actions which will be taken to mitigate the impact of these changes as they develop.

During the year we have renewed a significant multi-year contract with our largest Chinese customer and, as noted above, have agreed terms with a number of our other existing Chinese customers which we expect to execute in 2020. Critically our efforts are focused on and we continue to compete strongly for a number of new sales opportunities to grow revenue with new business.

We believe that Datalex is well positioned to benefit from the emerging recovery with products tailored to meet the post COVID needs of all airlines and which will accelerate their return to growth. Datalex continues to undertake measured capital expenditure and investment in our products to support our existing customers and to drive future customer acquisition. Notable areas of investment include the Datalex Digital Configurator, a recently launched tool that provides our customers with greater flexibility and control across all of our products, and the launch of a new product, Datalex Merchandiser, which enables airlines to maximise their ancillary revenues across all retailing touchpoints.

Commenting on this announcement, Sean Corkery, Chief Executive Officer said:

“Although the Company continues to face significant challenges into 2021, our focused and proactive response to the challenges of COVID has increased expected earnings performance in 2020 and contributed to this revised guidance. Simultaneously we have developed and driven our Product-Led Cloud Enabled SaaS strategy and capability, positioning us well to capitalise on future industry trends and growth opportunities.”

The financial information in this announcement is not audited and does not constitute statutory financial statements of Datalex plc. The statutory financial statements for FY 2020 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 guidance outlined above for FY 2020 is in accordance with IFRS 15.

IRSF15 recognition rules specify that timing of revenue recognition may be affected by factors outside our control, for example, including the credit rating of our customers. This may impact on the timing of recognition of forecast revenues and costs, as included in this guidance statement.

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.

This announcement contains inside information.

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. Those forward-looking and other statements speak only as at the date of this announcement. Datalex undertakes no obligation to update any forward-looking statements. No statement in this document, except for the statement of expected adjusted EBITDA, is intended as a profit forecast or a profit estimate and no statement in this document (including the statement as to expected adjusted EBITDA) should be interpreted to mean that earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings per share. The statement of expected adjusted EBITDA has been prepared based on assumptions and forecasts, including those set out in this announcement, some of which are outside of the Company's influence and/or control, and is therefore inherently uncertain and there can be no guarantee or assurance that it will be correct. The statement of expected adjusted EBITDA has not been audited, reviewed, verified or subject to any procedures by our auditors and you should not place undue reliance on it and there can be no guarantee or assurance that it will be correct.

Statements contained in this announcement are based on the knowledge and information available to the Board at the date it was prepared and therefore facts stated, and views expressed may change after that date. Nothing in this announcement is intended to constitute an invitation or inducement to engage in investment activity. This announcement does not constitute or form part of any offer for sale or subscription of, or any solicitation of any offer to purchase or subscribe for, any securities nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract, commitment or investment decision in relation thereto. This announcement does not constitute a recommendation regarding any securities.

About Datalex

Datalex is a market leader in transformative airline retail products and solutions. The Datalex Digital Commerce Platform provides airlines with a unique solution to drive revenue and profit as digital retailers. Today the platform enables a travel marketplace of over one billion shoppers covering every corner of the globe, driven by some of the world's most innovative airline retail brands. Datalex's customers include Air China, JetBlue Airways, Hainan Group, SAS, Philippine Airlines, Aer Lingus, Brussels Airlines, Air Transat and Trailfinders. The Group is headquartered in Dublin, Ireland, and maintains offices across Europe, the USA and China. Datalex plc is a publicly listed company on Euronext Dublin (DLE).

Learn more at www.datalex.com or follow on twitter @Datalex.

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