Datalex
Transforming Airline Retail

# 2021 Results Presentation

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# Introduction

1. Airline industry affected by COVID-19, impacting Datalex's 2021 performance.
2. EBITDA improvement driven by expansion in gross and operating margins.
3. Successful capital raise provided material cash reserves and stabilised balance sheet.
4. Significant progress with existing customers and new customer win with Virgin Australia.
5. Looking forward with confidence in 2022 and beyond.

# 2021 Financial Highlights

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**Revenue**
**$25.5m**
↓ 9% vs 2020
USD $'m

**Gross Margin %**
**48%**
↑ 17% vs 2020
USD $'m

**Total Operating Costs[2]**
**$27.4m**
↓ 7% vs 2020
USD $'m

**Adjusted EBITDA[1]**
**$2.4m**
↑ $1.0m vs 2020
USD $'m

**Net Cash[3]**
**$6.5m**
2020: -$18.8m
USD $'m

**Loss After Tax**
**-$4.9m**
2020: -$6.5m
USD $'m

1. Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation (with the exception of deferred commission costs), exceptional costs and the costs of share options and interests granted to Executive Directors and employees.
2. Total operating costs include total cost of sales, selling and marketing costs, impairment losses on contract and trade receivables, administrative before exceptional items.
3. Net cash is defined as total cash and cash equivalents minus total current and non-current borrowings.

# 1. Airline industry affected by COVID-19, impacting Datalex's 2021 performance

**However, the Group did achieve an adjusted EBITDA improvement in 2021 in comparison to 2020.**

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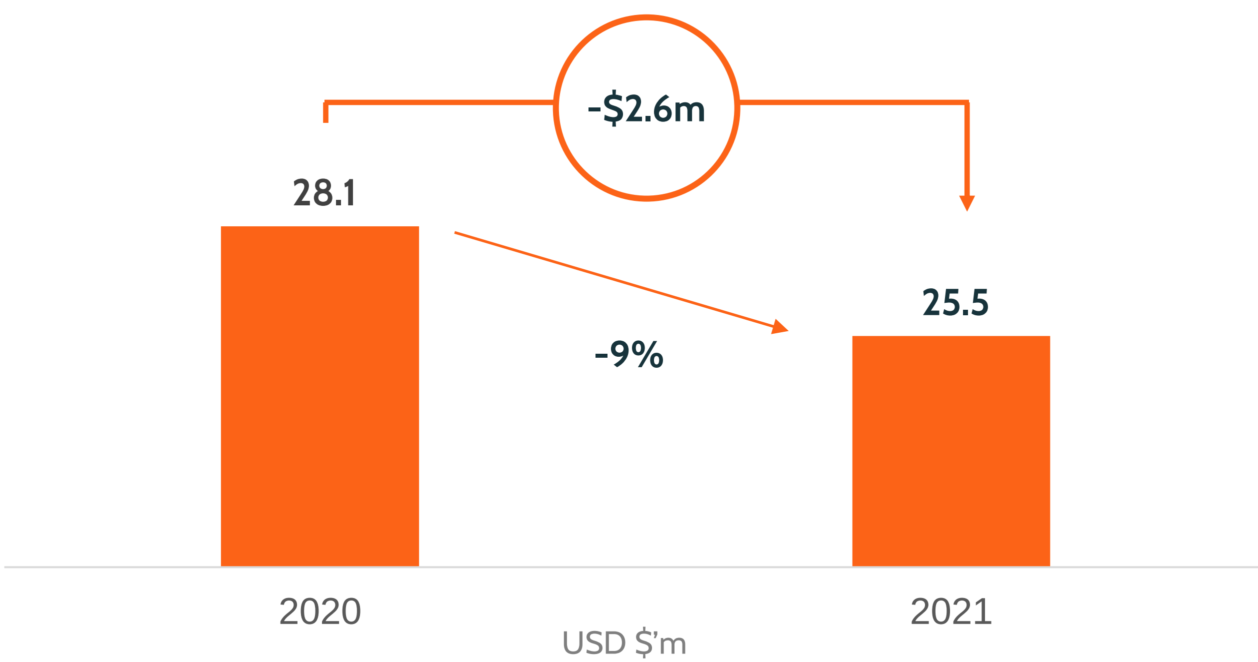
## 2021 Revenue Performance

Following the worst year on record for the aviation industry in 2020, the recovery in traffic was slow in 2021 due to ongoing travel restrictions.

Revenues in 2021 declined by 9% versus 2020 which was mainly driven by:

- Impact of full year of COVID-19 in 2021 versus 2020.
- Lower services revenue as airlines delayed non-essential projects.
- Impact of customer churn from prior terminations.

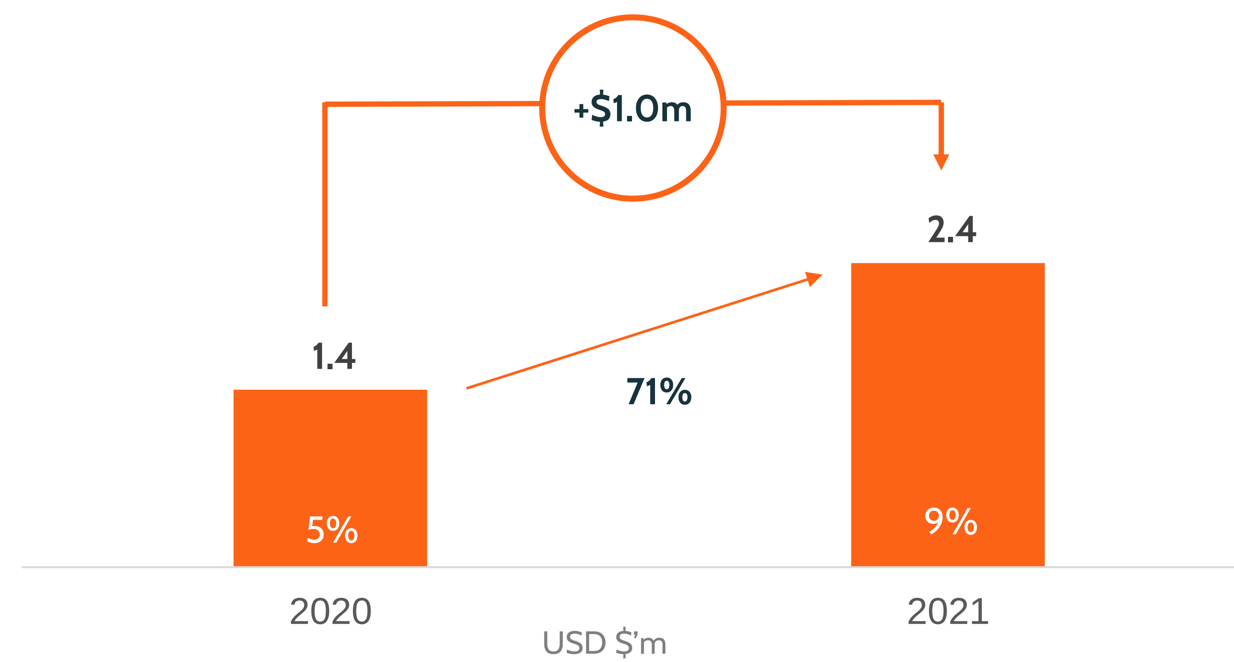
The Group also continues to have strong Annual Recurring Revenues (ARR[1]) of 60% (versus 69% in 2020).




## 2021 Adjusted EBITDA

Improvement in adjusted EBITDA by 71% from $1.4 to $2.4M which was largely driven by:

- SaaS commercial model having fixed and variable components, which buffered our revenue exposure.
- Costs were managed proportionally.




[1]ARR can be defined as the value of the contracted recurring revenue components of our contracts normalised to a one-year period.

# 2. EBITDA improvement driven by expansion in gross and operating margins

**Adjusted EBITDA improvement of $1.1m versus 2020.**

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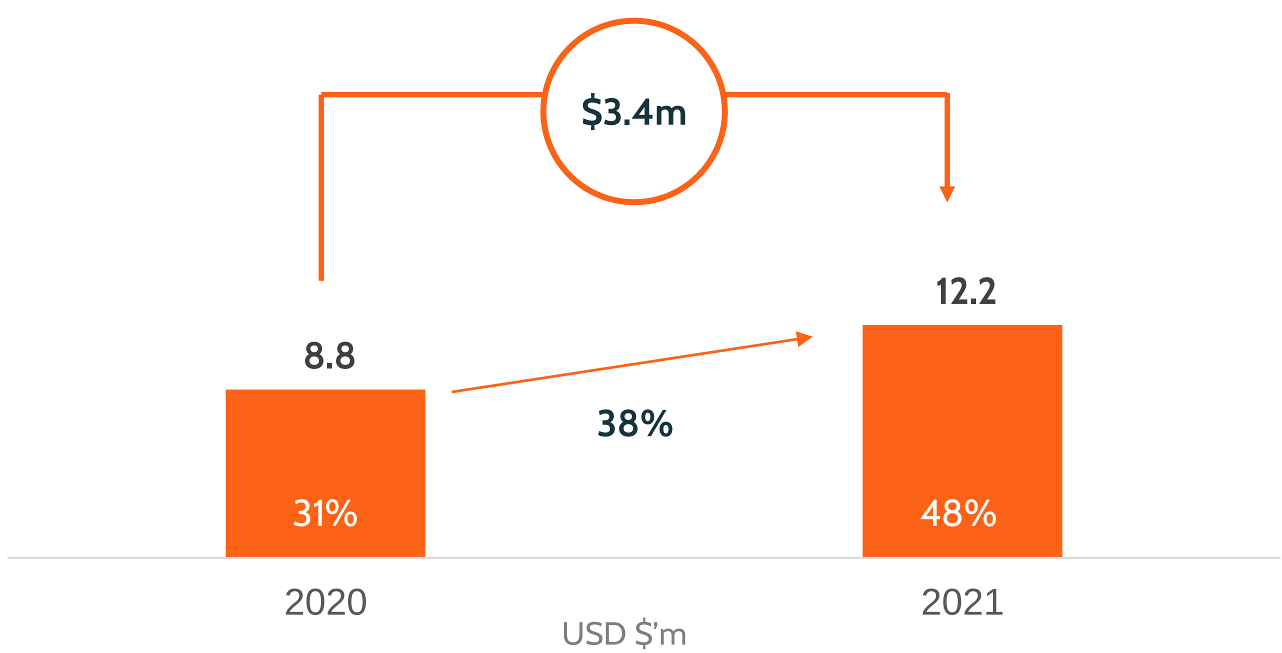
## 2021 Gross Margin

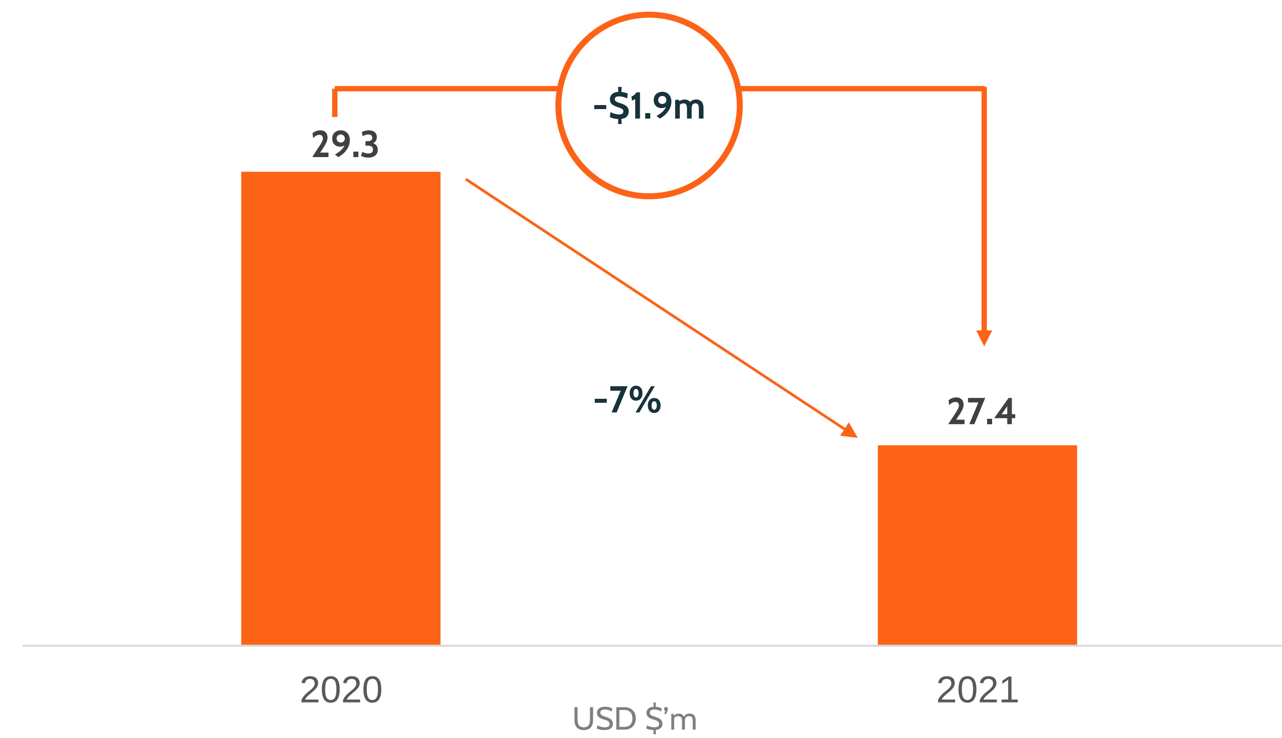
Focus on operational efficiency across the business has helped drive down the Group's cost of sales which helped grow the gross margin by 38% to $12.2m.




*Gross margin increase was positively impacted by a once-off receipt of $2m in 2021.

## 2021 Total Operating Costs

We continued to right size our cost base by reducing consultant and contractor costs and rationalising overall spend, resulting in a reduction in operating expenditure of $1.9m (7%).




*Total operating costs include total cost of sales, selling and marketing costs, impairment losses on contract and trade receivables, administrative before exceptional items.

# 3. Successful capital raise provided material cash reserves and stabilised balance sheet

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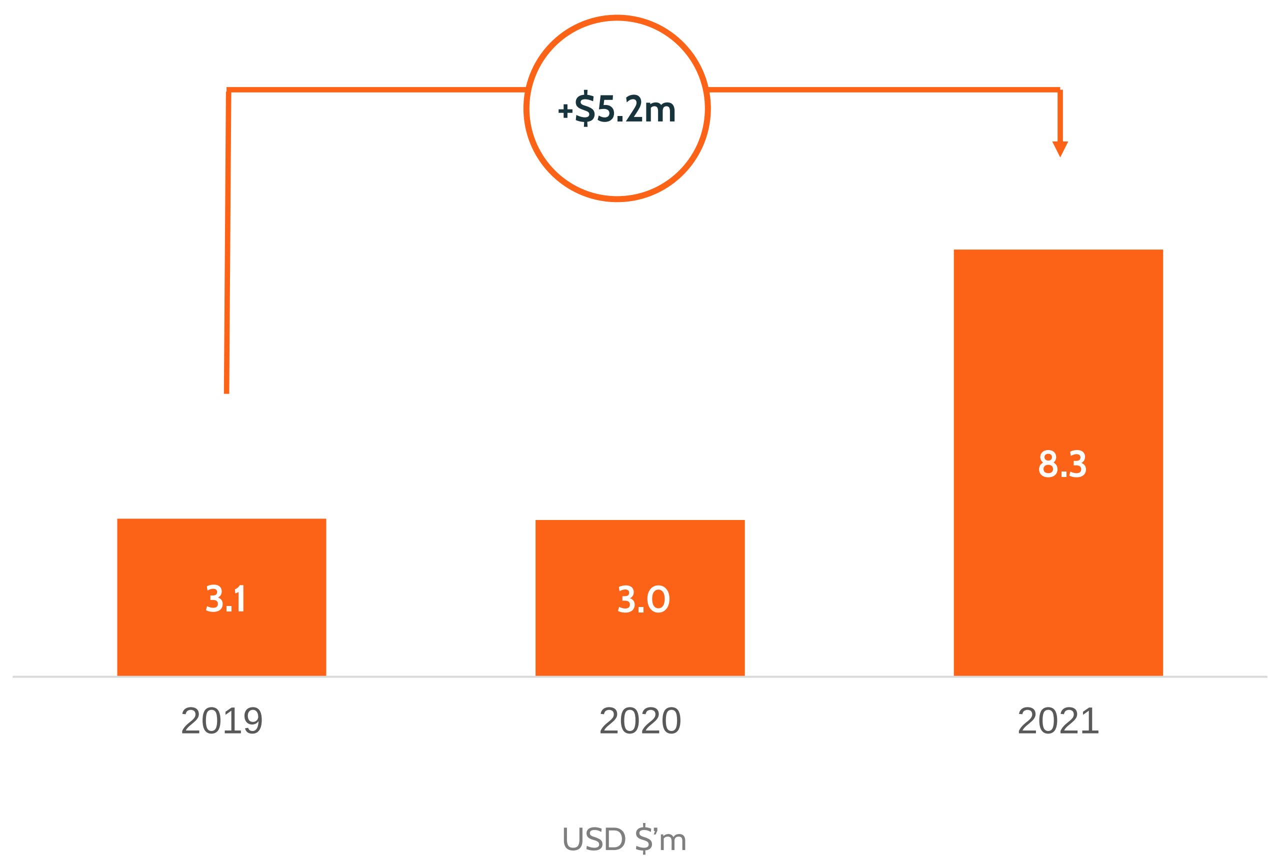
**In addition to careful cash management and proactive cash collection.**

## 2021 Cash Position & Available Funds

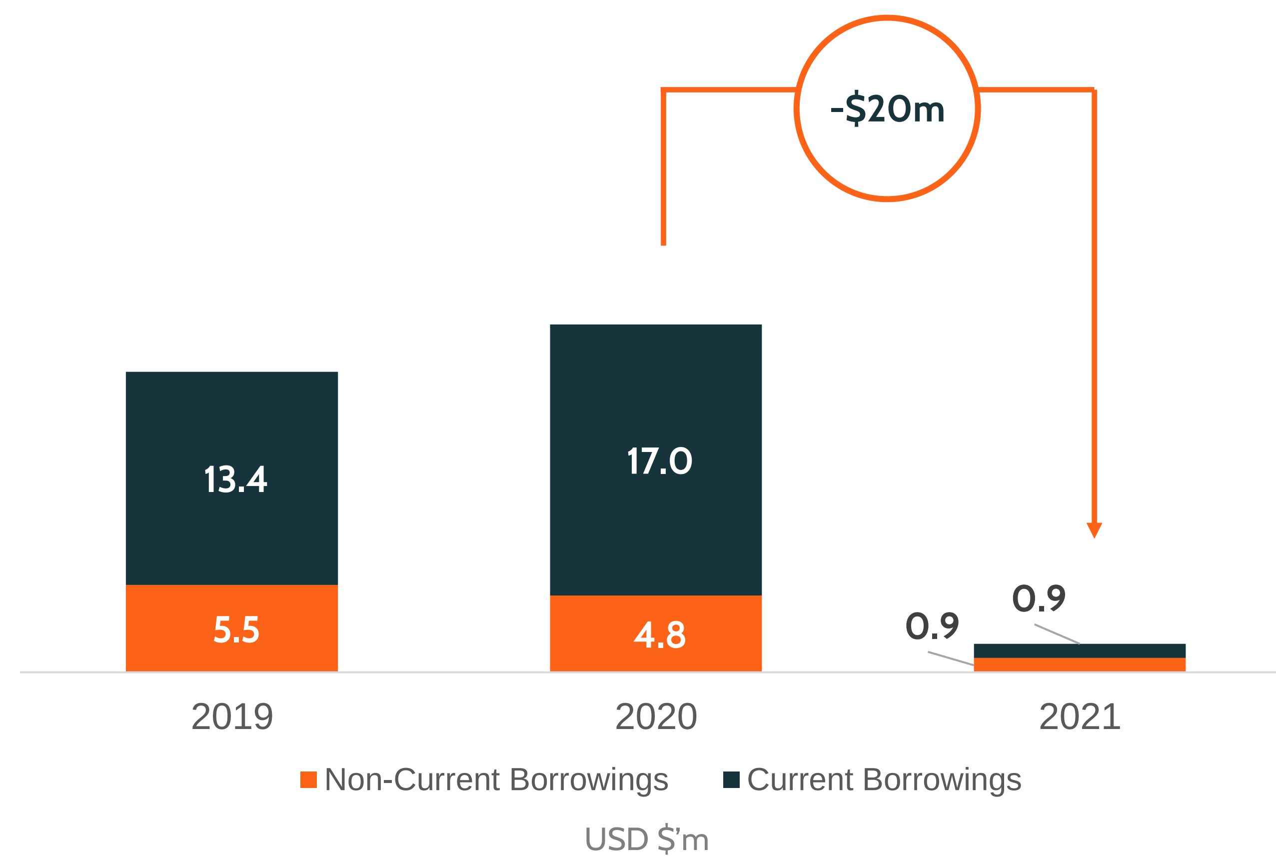
Despite challenging macro-economic conditions in the year, careful cash management and proactive cash collection resulted in a year end balance of $8.3m.

€10m debt facility remains available to the Group.




## 2021 Borrowings

On 8 July 2021 the Group completed a capital raise which allowed for the repayment of outstanding debt and the restructuring of the Group's Balance Sheet.




*All borrowings at 31 December 2021 are in relation to liabilities arising from IFRS 16 primarily due to the property leases the Group hold.

# 4. Significant progress with existing customers and new customer win with Virgin Australia

## Creating a strong foundation for the next phase of growth.

1. Retained and supported our customers through a challenging period.

2. New customer acquisition – Virgin Australia selected Datalex as their airline technology partner to deliver on its customer-centric and retail focused strategy.

3. Continued investment in our portfolio of products and expanded product portfolio. Extended our NDC product offering to two current customers.

4. Completed an AI pricing production trial with a large airline outside of the Group's existing customer base. A further AI pricing trial is underway with a second airline.

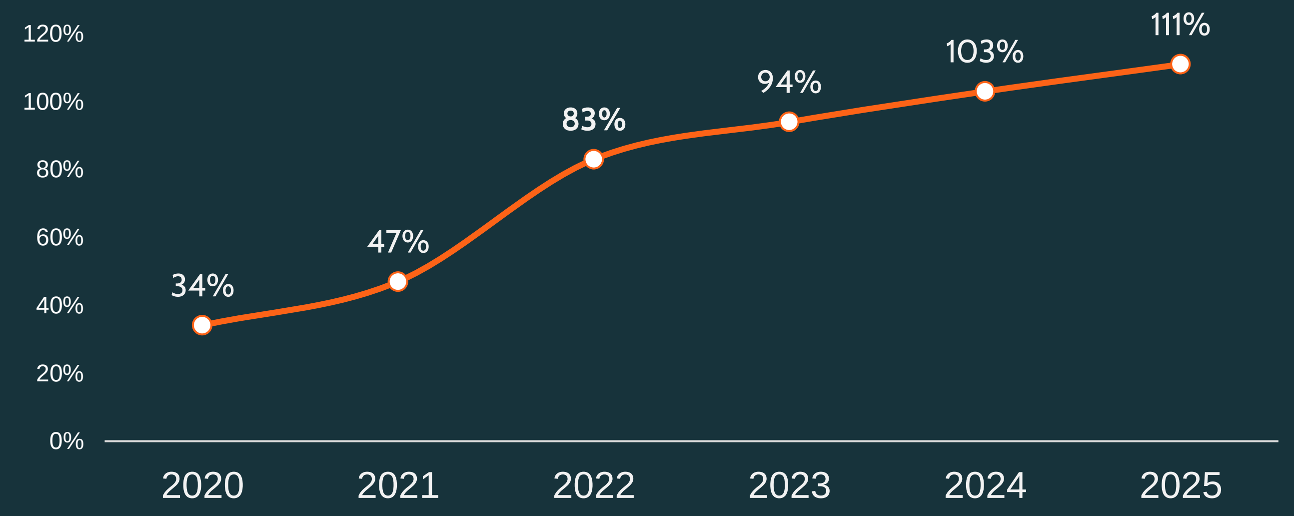
5. Increased our pipeline of new customer opportunities.

## 5. Looking forward with confidence in 2022 and beyond

**Future industry outlook is positive, strengthening the growth opportunity for Datalex.**

- 2022 has been a turbulent start for the airline industry as a result of global macro-economic conditions.
- Industry outlook for 2022 remains positive with high levels of demand, however the pace and scale of recovery will vary by region and by airline.
- As we look forward to the medium term, there is much more certainty over the recovery.
- Exiting the pandemic, airlines will have a strong appetite to accelerate investment in digital retail.
- Over 100 airlines (37% of market on a passenger basis)[2] use an internet booking engine developed in-house - a greenfield opportunity for Datalex.
- With the launch of the Pricing AI product in 2022, Datalex is expanding its addressable market into the traditional revenue management segment.
- Committed to investing in new customer relationships.

Industry passenger forecast volumes as a percentage of 2019 passenger volumes [1]




Sources:
1. IATA/Tourism Economics Air Passenger Forecast, March 2022
2. T2RL Digital Report, The Market for Web Passengers 2021, July 2021

# Appendices

# Consolidated Statement of Profit and Loss
## For the year ended 31 December 2021

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| | FY 2021 $'000 | FY2020 $'000 | Variance % |
|---|---|---|---|
| Revenue | 25,473 | 28,070 | (9%) |
| Cost of sales | (13,256) | (19,234) | (31%) |
| **Gross profit** | **12,217** | **8,836** | **38%** |
| Selling and marketing costs | (417) | (1,116) | (63%) |
| Administrative expenses | (15,361) | (11,669) | 29% |
| Net impairment gains/(losses) on financial and contract assets | 744 | 1,524 | (51%) |
| Impairment of intangible assets | (106) | - | - |
| Other income | 1,760 | 401 | 339% |
| Other losses | 716 | (1,615) | (144%) |
| **Operating profit/(loss)** | **(447)** | **(3,639)** | **(88%)** |
| Finance costs | (4,350) | (2,897) | 50% |
| Loss before income tax | **(4,797)** | **(6,536)** | **(27%)** |
| Income tax charge | (77) | 59 | (231%) |
| **Loss for the year** | **(4,874)** | **(6,477)** | **(25%)** |
| **Adjusted profit / loss measures:** | | | |
| Adjusted EBITDA[1] | 2,435 | 1,342 | |
| Foreign currency adjusted EBITDA[2] | 1,389 | 3,355 | |

1. Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation (with the exception of deferred commission costs), exceptional costs and the costs of share options and interests granted to Executive Directors and employees
2. Foreign currency adjusted EBITDA was introduced as a new KPI in 2020. Our functional currency is US$. As explained in our debt financing note of our 2021 Annual Report, in 2019 the Company received €11.3m debt financing from Tireragh Limited. This loan funding was denominated in Euro. As a result, the adjusted EBITDA results of the group are subject to movements beyond management control arising from movements in foreign exchange rates.

# Consolidated Statement of Financial Position
## as at 31 December 2021

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| | FY 2021 $'000 | FY2020 $'000 |
|---|---|---|
| **ASSETS** | | |
| *Non-current assets* | | |
| Property, plant and equipment | 249 | 509 |
| Intangible assets | 3,669 | 1,798 |
| Right-of-use assets | 1,187 | 4,614 |
| Deferred contract fulfilment costs | 2,867 | 2,863 |
| Trade and other receivables | 319 | 665 |
| **Total non-current assets** | **8,291** | **10,449** |
| *Current Assets* | | |
| Contract acquisition costs | - | 62 |
| Trade and other receivables | 3,951 | 6,427 |
| Contract assets | 722 | 853 |
| Cash and cash equivalents | 8,251 | 3,025 |
| **Total current Assets** | **12,924** | **10,367** |
| **Total assets** | **21,215** | **20,816** |

| | FY 2021 $'000 | FY2020 $'000 |
|---|---|---|
| **EQUITY** | | |
| *Capital and reserves attributable to the equity holders of the company* | | |
| Issued ordinary share capital | 13,215 | 8,215 |
| Other issued equity share capital | 262 | 262 |
| Other reserves | 37,604 | 11,777 |
| Retained Loss | (50,189) | (43,952) |
| **Total equity** | **892** | **(23,698)** |
| **LIABILITIES** | | |
| *Non-current liabilities* | | |
| Borrowings | 895 | 4,818 |
| Provisions | 663 | 526 |
| Trade and other payables | 5,332 | - |
| Contract Liabilities | 4,419 | 4,419 |
| **Total non-current liabilities** | **11,309** | **9,763** |
| *Current liabilities* | | |
| Borrowings | 891 | 17,009 |
| Provisions | 569 | 914 |
| Trade and other payables | 3,953 | 10,862 |
| Contract Liabilities | 3,414 | 5,766 |
| Current income tax liabilities | 187 | 200 |
| **Total current liabilities** | **9,014** | **34,751** |
| **Total equity and liabilities** | **21,215** | **20,816** |

# Consolidated Statement of Cash flows
## for the year ended 31 December 2021

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| | FY 2021 $'000 | FY2020 $'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash generated from operations | 451 | 3,514 |
| Income tax paid | (5) | - |
| **Net cash generated from operating activities** | **446** | **3,514** |
| **Cash flow from investing activities** | | |
| Purchase of property, plant and equipment | (119) | - |
| Proceeds from the sale of property, plant and equipment | 23 | 38 |
| Additions to intangible assets | (2,448) | (1,669) |
| Contract fulfilment cost payments | (4) | (702) |
| **Net cash used in investing activities** | **(2,548)** | **(2,333)** |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares (including share premium) | 29,710 | 17 |
| Costs of share placing paid | (1,363) | - |
| Proceeds from disposal of trust shares | 275 | - |
| Repayment of borrowings borrowings | (19,134) | - |
| Costs paid on entering new leases and agreements for leases | (278) | 180 |
| Payment of interest on lease liabilities | (343) | (630) |
| Purchase of capital on lease liabilities | (1,177) | (820) |
| Interest paid | (46) | - |
| **Net cash (used in) / generated from financing activities** | **7,644** | **(1,253)** |
| Net decrease in cash and cash equivalents | 5,542 | (72) |
| Foreign exchange gain/(loss) on cash | (316) | 46 |
| Cash at the beginning of year | 3,025 | 3,051 |
| **Cash and cash equivalents at end of year** | **8,251** | **3,025** |

# Thank you

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