

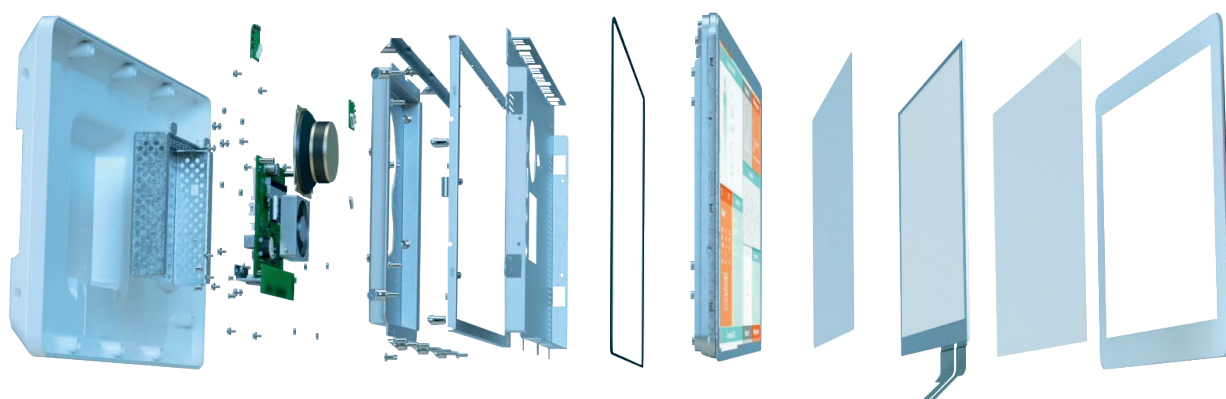
DATA MODUL

QUARTERLY REPORT
AS OF MARCH 31, 2019



Dear Shareholders,

DATA MODUL recorded a successful first quarter for a good start into 2019. At 70.8 million euros, orders received in the first quarter of 2019 were in line with last year's high Q1 level (69.2 million euros). Revenue rose by a substantial 10.5% year-over-year to 63.5 million euros for the quarter (previous year: 57.5 million euros). EBIT rose to 5.1 million euros in the first quarter of 2019 as a result of business activity and favorable currency effects, up 27.0% year-over-year (previous year: 4.0 million euros). Accordingly, net profit for the period January to March 2019 rose 20.9% year-over-year to 3.4 million euros (previous year: 2.9 million euros).



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

With downward revisions of growth forecasts being reported throughout the news, the Ifo-World Economic Climate Index fell for the fourth time in a row in the first quarter 13.1 percent - the most severe decline in more than seven years. Though a global economic recession is not expected, the outlook for industrialized nations has significantly worsened. The (perhaps fitting) postponement of Brexit until Halloween and the prospect of resolution of the US-China trade dispute have not been enough to prevent deterioration of the economic climate in the US and eurozone. German manufacturers have lowered their expectations in view of persistent economic weakness, and after the OECD corrected its growth forecast for the EU Monetary Union from 1.8 percent down to 1.0 percent, analysts are now only seeing 0.7 percent growth for the German market instead of 1.6 percent. According to Ifo estimates, manufacturers will be largely out of the picture as an economic driver in 2019. The Chinese government has responded to the country's significant economic downturn with comprehensive economic stimulus package, offering a glimmer of hope as reflected in leading economic indicators. Strong, stable demand in the domestic service sector will buoy the average growth rate as the eurozone just barely avoids falling into recession.

In view of weaker economic data for manufacturers and lower estimates for our primary markets, we continue to see challenging economic conditions ahead for DATA MODUL in fiscal year 2019.

2. Corporate Results

in kEUR	1/1 - 3/31/2019	1/1 - 3/31/2018	Change
Total revenue ¹⁾	63,509	57,487	10.5%
Displays	37,498	35,065	6.9%
Systems	26,011	22,422	16.0%
Orders received	70,771	69,157	2.3%
Order backlog	134,941	118,474	13.9%
EBIT ²⁾	5,082	4,003	27.0%
EBIT margin ³⁾	8.0%	7.0%	14.3%
Net profit for the period	3,439	2,845	20.9%
Capital expenditure ⁴⁾	1,666	751	121.8%
Number of employees ⁵⁾	507	416	21.9%
Earnings per share (in euros)	0.98	0.81	20.9%
Outstanding shares – Basic	3,526,182	3,526,182	0.0%

1) Revenue: The previous-year figures have been adjusted to reflect the change in segmentation implemented to reflect internal re-organization and reporting structure modifications.

2) EBIT: Earnings before interest and taxes

3) EBIT margin: ratio of EBIT to sales

4) Investments: Capital expenditures on intangible assets and property, plant and equipment

5) Employees: Number of employees as of the reporting date

3. Business performance

For the first three months of this year DATA MODUL recorded revenue of 63,509 thousand euros, up 10.5% year-over-year (previous year: 57,487 thousand euros). The Displays business segment recorded revenue of 37,498 thousand euros in the first quarter (previous year: 35,065 thousand euros), while the Systems business segment recorded revenue of 26,011 thousand euros (previous year: 22,422 thousand euros). Orders received rose 2.3% for the Group versus Q1 last year to 70,771 thousand euros (previous year: 69,157 thousand euros), as order backlog rose 13.9% to 134,941 thousand euros (previous year: 118,474 thousand euros). The Company's strategy to enhance its international orientation continues to yield successes, reflected in a largely unchanged export rate of 48.0% for the first three months of 2019 (previous year: 50.2%).

4. Earnings

For the period January 1 through March 31, 2019, DATA MODUL recorded EBIT of 5,082 thousand euros (previous year: 4,003 thousand euros), representing a year-over-year increase of 27.0%. The Displays business segment recorded EBIT of 2,202 thousand euros for the three-months period (previous year: 1,820 thousand euros)¹, while the Systems business segment recorded EBIT of 2,880 thousand euros (previous year: 2,183 thousand euros).¹ This resulted in EBIT margin widening to 8.0% (previous year: 7.0%). DATA MODUL thus recorded a net profit for the period ended March 31, 2019 of 3,439 thousand euros (previous year: 2,845 thousand euros), up 20.9% year-on-year for earnings per share of 0.98 euros (previous year: 0.81 euros). Earnings for the first three months of 2019 were positively affected by the movement of the EUR-USD currency pair.

First-time application IFRS 16 in fiscal year 2019 had a minor effect on earnings, increasing EBIT by 33 thousand euros while net income for the period declined slightly by 17 thousand euros.

5. Balance sheet

The balance sheet total has increased by 11,717 thousand euros since calendar year-end to 145,841 thousand euros (December 31, 2018: 134,124 thousand euros). The increase in assets was mainly attributable rising inventories in connection with increased new orders and the rights-of-use reportable for the first time in 2019 pursuant to IFRS 16, now applicable. The change on the liabilities and equity side resulted principally from the increase in equity due to higher net income for Q1 2019 and the initial recognition of current and non-current liabilities under IFRS 16.

Cash flow from operating activities was -7,596 thousand euros as of March 31, 2019 (previous year: -6,204 thousand euros)². This was mainly due to increased inventories, accounts receivable and contract assets. Investments in intangible assets and property, plant and equipment in the first three months of 2019 resulted in cash flow from investing activities of -1,744 thousand euros (previous year: -751 thousand euros). Cash flow from operating activities in the first quarter of 2019 came to -252 thousand euros (previous year: -18 thousand euros)². At the reporting date the Group had 15,354 thousand euros in cash and cash equivalents (December 31, 2018: 13,246 thousand euros).

As of March 31, 2019 DATA MODUL had an equity ratio of 66.5% (December 31, 2018: 70.1%). The Group thus remains very solid financially, with sufficient liquidity.

¹ The previous-year figures have been adjusted to reflect the change in segmentation implemented to reflect internal re-organization and reporting structure modifications.

² Interest inflows and outflows have been reclassified as cash flow from financing activities and previous-year figures have been adjusted accordingly to afford better comparability.

As of January 1, 2019 Data Modul will apply IFRS 16 in accounting for leases using the modified retrospective method. Figures for the previous-year period have not been adjusted. As of January 1, 2019, right-of-use assets in the amount of 8,463 thousand euros, non-current lease liabilities in the amount of 8,065 thousand euros, current lease liabilities in the amount of 1,254 thousand euros and deferred tax assets in the amount of 274 thousand euros were shown on the balance sheet. Initial rule application resulted in adjustments totaling 582 thousand euros, reducing retained earnings.

6. Capital expenditure

Capital expenditures during the first three months of 2019 totaled 1,666 thousand euros (previous year: 751 thousand euros). A major part of this investment went to expanding production and logistics capacity at the sites in Weikersheim and Lublin, Poland. Over the remainder of the current fiscal year we are planning capital expenditures for our Munich location and our production and logistics sites in Weikersheim and Lublin, Poland, and will continue investing in research and development to ensure we remain competitive.

7. Employees

As of March 31, 2019, the number of Group employees was 507 (previous year: 416).

8. Opportunities and risks

In fiscal year 2019, DATA MODUL will stay focused on growth in its core Displays and Systems business segments. Global economic trends, exchange rate movements, rising commodity and energy prices and uncertainties regarding customer ordering behavior constitute risks which may have a lasting impact on our business. We are aware of these risks and carefully monitor their impact on our business operations. Currently, there are no apparent going-concern risks for the DATA MODUL Group. No significant changes have occurred in the information on risks and opportunities stated in the 2018 Annual Report.

9. Subsequent events

We are not aware of any significant events occurring after the reporting date of March 31, 2019 which would have had a major influence or impact on the Company's earnings or balance sheet.

10. Forecast

The statements made in the following regarding the future business results of DATA MODUL Group and assumptions regarding market and industry trends deemed material in relation thereto are based on opinions which we believe are realistic at this time given the information available. However, these assumptions and assessments are subject to uncertainty and involve an inevitable risk that projected developments may not actually occur, with respect to either their direction or extent.

The global economic climate is as poor as it has been in seven years. With downward revisions of growth forecasts being reported throughout the news, the Federal Reserve has suddenly adopted a very cautious stance, and the US yield curve is partially inverted. The IMF is forecasting global GDP growth of only 3.3 percent this year.

After a period of initial hesitation, the Chinese central government has moved to roll out a comprehensive economic stimulus program in view of the deteriorated economic outlook. This involves the largest tax cut package seen in recent Chinese history and a drastic loosening of monetary policy. The global economy is set to benefit in the second half of the year as industrialized nations regain momentum.

The eurozone economy barely escaped recession in the first quarter of 2019, and the full year growth forecast has been slashed from 1.4% to 0.9%. US President Trump's threat to impose punitive automotive tariffs poses a further risk to the economic situation, which as a threat alone could have negative

consequences, significantly undermining the nascent confidence building in the wake of an averted hard Brexit.

Global economic weakness affected the German economy in the first quarter of 2019, putting the brakes on growth. The OECD (Organization for Economic Co-operation and Development) has downwardly revised its GDP growth forecast for the country by 0.9 percentage points to 0.7% for the year. The German Institute for Economic Research (DIW) projects that the German economy will gain some momentum in the second half of the year thanks to the multi-billion economic stimulus package introduced by China, the country's most important trading partner.

Difficult general economic conditions will thus pose hurdles for DATA MODUL in 2019, but systematic execution on the Group's long-term strategy program will enable the company to rise to the occasion.

In view of the favorable orders situation, the Executive Board anticipates that that fiscal year 2019 will be satisfactory.

11. Related party disclosures

Per a disclosure dated April 11, 2017, Arrow Central Europe Holding Munich GmbH, Neu-Isenburg (hereinafter: "Arrow"), holds approximately 69.2% of voting rights in DATA MODUL AG. The trade relationships with the Arrow Group involve purchases and sales at arm's length.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of March 31, 2019

ASSETS	3/31/2019	12/31/2018
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	3,057	3,100
Property, plant and equipment	16,753	15,799
Right-of-use assets	8,253	0
Deferred tax assets	562	280
Total non-current assets	31,044	21,598
Current assets		
Inventories	60,794	52,865
Trade accounts receivable including writedowns (2019: 163; 2018: 167)	29,753	28,961
Contract assets	6,255	3,945
Other current assets	1,816	1,160
Other current financial assets	825	639
Cash and cash equivalents	15,354	24,956
Total current assets	114,797	112,526
Total assets	145,841	134,124

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	3/31/2019	12/31/2018
Shareholders' equity		
Capital stock no-par bearer shares (approved: 5,289 thousand euros shares issued and outstanding: 3,526,182 as of 3/31/2019 and 12/31/2018)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	61,413	58,556
Other reserves	936	752
Total shareholders' equity	97,047	94,006
Non-current liabilities		
Pensions and non-current personnel liabilities	1,567	1,567
Non-current provisions	307	303
Non-current contract liabilities	652	722
Non-current lease liabilities	7,841	0
Deferred tax liabilities	1,417	1,158
Total non-current liabilities	11,784	3,750
Current liabilities		
Trade accounts payable	19,454	18,787
Current contract liabilities	528	546
Current lease liabilities	1,293	0
Taxes payable	2,758	3,366
Current provisions	2,531	2,423
Liabilities due to financial institutions	4,200	4,200
Other current liabilities	4,712	6,072
Other current financial liabilities	1,534	974
Total current liabilities	37,010	36,368
Total liabilities	48,794	40,118
Total liabilities and shareholders' equity	145,841	134,124

All figures in KEUR

CONSOLIDATED STATEMENT OF INCOME

	01/01 – 3/31/2019	01/01 – 3/31/2018
Revenue	63,509	57,487
Cost of sales	(49,001)	(45,659)
Gross margin	14,508	11,828
Research and development expenses	(1,633)	(1,365)
Selling and general administrative expenses	(7,793)	(6,460)
Earnings before interest and taxes (EBIT)	5,082	4,003
Interest income	1	0
Interest expense	(67)	(18)
Earnings before taxes for the period	5,016	3,985
Income tax expense	(1,577)	(1,140)
Net profit for the period	3,439	2,845
Earnings per share – basic	0.98	0.81
Earnings per share – diluted	0.98	0.81
Weighted average number of shares outstanding – basic	3,526,182	3,526,182
Weighted average number of shares outstanding – diluted	3,526,182	3,526,182

All figures in KEUR except earnings per share and weighted average shares outstanding.

CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01 – 3/31/2019	01/01 – 3/31/2018
Cash flows from operating activities¹		
Net profit for the period	3,439	2,845
<i>Non-cash expenses and income</i>		
Income tax expense	1,577	1,363
Depreciation, amortization and impairments	1,050	647
Provisions for bad debts	(4)	12
Gain from disposals of fixed assets	(3)	0
Net interest	66	19
Other non-cash expenses and income	3	(1)
<i>Change in:</i>		
Inventories	(7,929)	(4,130)
Trade receivables and contract assets	(3,099)	(6,758)
Other assets	(836)	400
Trade accounts payable	665	1,412
Change in other liabilities and contract liabilities	(684)	(959)
Income taxes paid	(1,841)	(1,054)
Cash flows from operating activities	(7,596)	(6,204)
Cash flows from investing activities		
Proceeds from disposals of fixed assets	3	0
Capital expenditures with capitalizable development cost	(259)	(288)
Capital expenditures on other intangible assets, property, plant and equipment and right-of-use assets	(1,488)	(463)
Cash flows from investing activities	(1,744)	(751)
Cash flows from financing activities		
Inflows (+)/outflows (-) from lease liabilities	(185)	0
Interest received (+) / paid (-) (net)	(67)	(19)
Other financing activities	0	1
Cash flows from financing activities	(252)	(18)
Effects of exchange rate movements on cash & cash equivalents	(11)	1
Net change in cash and cash equivalents	(9,603)	(6,972)
Cash and cash equivalents at beginning of the fiscal year	24,956	20,217
Cash and cash equivalents at end of the quarter	15,354	13,246

All figures in KEUR

¹ Interest inflows and outflows have been reclassified as cash flow from financing activities and previous-year figures have been adjusted accordingly to afford better comparability.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital stock No. of shares	Capital stock Amount	Capital reserves	Retained earnings	Other reserves	Total
BALANCE AS OF 1/1/2018	3,526,182	10,579	24,119	44,313	560	79,571
Initial application effects of IFRS 9 and IFRS 15				449		449
AS OF 1/1/2018 adjusted	3,526,182	10,579	24,119	44,762	560	80,020
Net profit for the period				2,845		2,845
Foreign currency translation					(93)	(93)
BALANCE AS OF 3/31/2018	3,526,182	10,579	24,119	47,607	467	82,772
BALANCE AS OF 1/1/2019	3,526,182	10,579	24,119	58,556	752	94,006
Initial application effects from IFRS 16				(582)		(582)
AS OF 1/1/2019 adjusted	3,526,182	10,579	24,119	57,974	752	93,424
Net profit for the period				3,439		3,439
Foreign currency translation					184	184
BALANCE AS OF 3/31/2019	3,526,182	10,579	24,119	61,413	936	97,047

All figures in kEUR except number of shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/01 – 3/31/2019	01/01 – 3/31/2018
Net profit for the period	3,439	2,845
<i>Other comprehensive income (loss) to be reclassified in the statement of income in subsequent reporting periods</i>		
Adjustments from currency translation of foreign subsidiary results	184	(93)
Comprehensive income after tax	3,623	2,752

All figures in KEUR

NOTES TO THE FINANCIAL STATEMENTS

Principles for preparation of the accounts

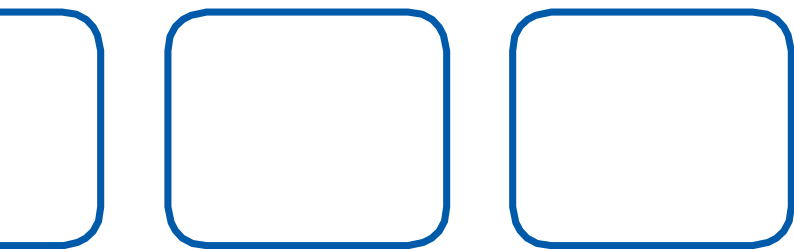
The abbreviated consolidated interim financial statements and Group interim management report do not contain all information and disclosures required for preparing consolidated financial statements, and are thus to be interpreted in context with the consolidated financial statements and Group management report dated December 31, 2018.

The same recognition and measurement methods applied to prepare the consolidated financial statements dated December 31, 2018 were applied in preparing this consolidated quarterly report dated March 31, 2019. These interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Reporting. The effects of IFRS 16, which now must be applied from fiscal year 2019 on, our balance sheet and earnings were as outlined above. These interim consolidated financial statements and the interim Group management report have not been audited in accordance with Sec. 317 German Commercial Code (HGB), nor have they been audited by a financial accounting firm.

The consolidated quarterly report is prepared in euros (EUR). For presentation purposes, the euro amounts are rounded to thousands of euros (KEUR). For computation purposes, the tables and notes may include deviations from the accurately calculated amounts due to rounding.

Disclaimer

The current consolidated quarterly report contains certain forward-looking statements based on currently discernible and available information as well as assumptions and forecasts made by DATA MODUL management. These are mainly for information purposes and may be identified by terminology such as "believe", "expect", "forecast", "intend", "predict", "plan", "estimate" and/or "strive for". Accordingly, such statements only pertain to the circumstances as of the time of their publication. Various known and unknown risks, uncertainties and other factors may cause the actual results, financial position, business trends or performance of the Company to substantially deviate from the forecast given herein. DATA MODUL assumes no obligation to continue supporting forward-looking statements made, nor to revise such statements in light of events or developments. The Company shall not be liable and offers no guarantee, express or implied, for the updatedness, correctness or completeness of disclosed data and information.



FINANCIAL CALENDAR 2019

Annual Shareholders' Meeting **on May 9, 2019**

Half-Year Report as of June 30, 2019 **on August 9, 2019**

Quarterly Report as of September 30, 2019 **on November 8, 2019**
