

DATA MODUL

QUARTERLY REPORT
AS OF SEPTEMBER 30, 2022



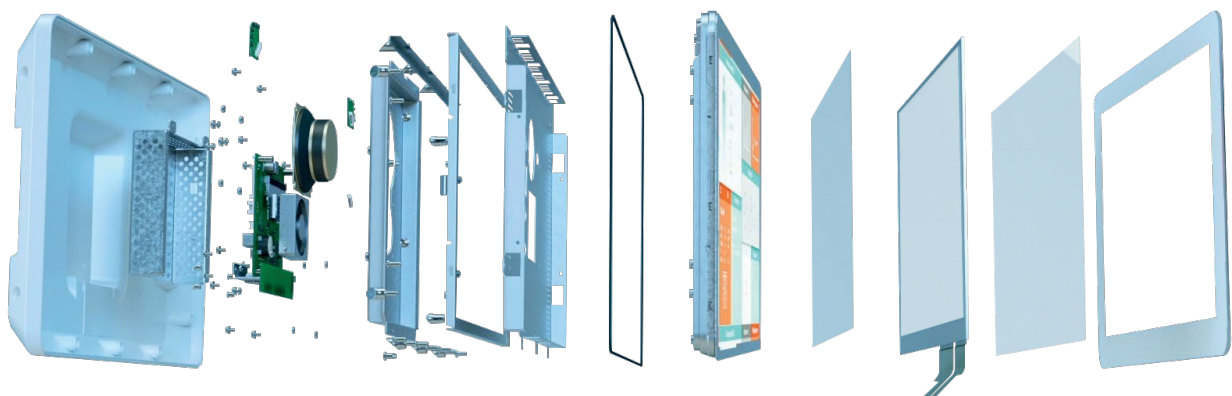
Dear Shareholders,

DATA MODUL AG has recorded strong business results for the third quarter of 2022, revenue and earnings coming in substantially higher versus last year's third quarter, pointing again toward an outstanding business development.

Orders received in the third quarter of 2022 totaled 85.8 million euros in value, representing a 68.0% rise year-over-year (previous year: 51.1 million euros). Orders received in the first nine months of the year were 32.2% higher versus the same period in 2021 at a value of 236.7 million euros (previous year: 179.1 million euros). Revenue for the quarter was 66.2% higher versus the third quarter of 2021 at 76.0 million euros (previous year: 45.8 million euros), surging on unexpectedly strong business in the summer months. Revenue of 204.5 million euros recorded for the first nine months of 2022 is 48.5% higher year-over-year (previous year: 137.7 million euros).

EBIT for Q3 2022 soared 216.7% to 9.8 million euros (previous year: 3.1 million euros) for an EBIT margin of 12.9% (previous year: 6.7%). As of the reporting date, EBIT had increased 150.9% to 19.9 million euros (previous year: 7.9 million euros), widening EBIT margin to 9.7% (previous year: 5.8%). Net income for the third quarter of 2022 rose to 6.9 million euros (previous year: 1.0 million euros). Net income for the period ending September 30, 2022 was 197.6% higher year-over-year at 13.8 million euros (previous year: 4.6 million euros).

These excellent business results affirm the solidity of the DATA MODUL strategy, which we intend to continue systematically pursuing. In view of the orders currently on the books, the Executive Board foresees a highly successful overall result for fiscal year 2022, and accordingly has raised its guidance for full year 2022 per an ad-hoc press release on October 24.



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

The year started out well, but since summer the global economy has been slowing. High inflation is eroding real income for private households, decimating the value of their savings and lowering purchasing power. Supply chain problems have eased, so on the one hand the industry will likely be working down its high level of order backlog, but this positive development will likely be outweighed by spiking electricity and gas prices. The response measures the government has enacted with considerable urgency will only be partially effective in cushioning the impact. Tighter lending conditions and the drop in purchasing power are anticipated to cause a global recession in the first half of 2023. Russia's war of aggression in Ukraine and the resulting major political uncertainty will continue to weigh on the global economy for the rest of the year. Significant slowing of economic growth is expectable in Europe in particular.

In their reports, leading economic research institutes foresee significant economic slowing for Germany. The high rates of inflation causing a decline in consumer spending is expected to reduce economic output by 0.2% and 0.4% in the two respective quarters of the winter half-year. Inflation rate is forecast to peak at a rate of around 11% in the first quarter of 2023, driven by energy suppliers hiking electricity and gas prices. Purchasing power will be declining further, and in noticeable fashion, although the relief package enacted by the German government should counteract this effect somewhat. Economic recovery with subsiding inflation is not projected to set in until 2024. The ifo business climate index fell to 84.3 in September from a previous level of 88.6 points (seasonally adjusted) in August – the lowest level reached since May 2020. German companies are expecting business to significantly decline over the months ahead, with the country's economy sliding into recession. DATA MODUL is nonetheless confident however regarding its full-year results for 2022, and is prepared to stand firm in the face of a troubled global economic environment fraught with major challenges.

2. Key figures

	07/01 - 09/30/2022	07/01 - 09/30/2021	Change	01/01/ - 09/30/2022	01/01/ - 09/30/2021	Change
Total revenue	76,046	45,768	66.2%	204,527	137,703	48.5%
Displays	47,291	30,550	54.8%	127,943	86,722	47.5%
Systems	28,755	15,218	89.0%	76,584	50,981	50.2%
Orders received	85,835	51,102	68.0%	236,713	179,067	32.2%
EBIT ¹⁾	9,778	3,087	216.7%	19,940	7,946	150.9%
EBIT margin ²⁾	12.9%	6.7%	92.5%	9.7%	5.8%	67.2%
Net income for the period	6,895	965	614.5%	13,771	4,627	197.6%
Capital expenditure ³⁾	929	492	88.8%	2,400	2,376	1.0%
Employees ⁴⁾	486	460	5.7%	486	460	5.7%
Earnings per share (in euros)	1.96	0.26	653.8%	3.91	1.31	198.5%
Number of shares outstanding	3,526,182	3,526,182	0.0%	3,526,182	3,526,182	0.0%

1) **EBIT:** Earnings before interest and taxes

2) **EBIT margin:** Ratio of EBIT to revenue

3) **Capital expenditure:** Investments in intangible assets and property, plant and equipment

4) **Employees:** Number of employees as of the reporting date

All figures in KEUR except for number of employees, earnings per share and number of shares

3. Business results

DATA MODUL recorded revenue of 76,046 thousand euros for the third quarter of 2022 (previous year: 45,768 thousand euros), up 66.2% year-over-year. In the nine-month view, revenue rose 48.5% year-over-year from 137,703 thousand euros to 204,527 thousand euros in 2022. The Displays business segment recorded revenue of 47,291 thousand euros in the third quarter of 2022 (previous year: 30,550 thousand euros), while the Systems business segment recorded revenue of 28,755 thousand euros (previous year: 15,218 thousand euros). Orders received rose 68.0% for the Group versus the third quarter of last year to 85,835 thousand euros (previous year: 51,102 thousand euros). The Company's strategy aimed at enhancing its international orientation continues to yield successes, reflected in a higher export rate for the first nine months of 2022 of 54.8% (previous year: 49.2%).

4. Earnings

DATA MODUL recorded substantially higher revenue year-over-year for the third quarter of 2022 across nearly all industries and regions. DATA MODUL has thus again demonstrated the robust reliability of its earnings, even in an adverse economic climate in which global uncertainty is running persistently high. For the third quarter of 2022 DATA MODUL recorded EBIT of 9,778 thousand euros, in line with surging revenue (previous year: 3,087 thousand euros). This resulted in EBIT margin widening to 12.9% (previous year: 6.7%). In the period January 1 to September 30, 2022 EBIT rose 150.9% to 19,940 thousand euros (previous year: 7,946 thousand euros) for an EBIT return of 9.7% (previous year 5.8%). The Displays business segment recorded EBIT of 8,396 thousand euros (previous year: 3,551 thousand euros), while the Systems business segment recorded EBIT of 11,544 thousand euros (previous year: 4,395 thousand euros). Net income of 6,895 thousand euros was recorded for the third quarter of 2022 (previous year: 965 thousand euros). Year-to-date net income of 13,771 thousand euros recorded as of September 30, 2022 was 197.6% higher year-over-year (previous year: 4,627 thousand euros), for earnings per share of 3.91 euros (previous year: 1.31 euros). The financial result includes financial income and -expense from derivative financial instruments measured at fair value through profit or loss stemming from embedded foreign currency derivatives. A net gain of 739 thousand euros was recorded from these embedded derivatives (previous year: net loss of 1,359 thousand euros).

5. Balance sheet

The balance sheet total has increased by 44,665 thousand euros since year-end to 233,505 thousand euros (December 31, 2021: 188,840 thousand euros). On the assets side, this change was mainly due to increased inventories and trade receivables. The bottom-line increase on the liabilities and equity side mainly reflected increased liabilities due to financial institutions as well as the net income recorded for the year.

Cash flows from operating activities came to -16,956 thousand euros as of September 30, 2022 (previous year: -6,589 thousand euros). This was mainly due to increased inventories and trade receivables, with higher other liabilities as an offsetting factor. Investments in intangible assets and in property, plant and equipment in the first nine months of the year resulted in cash flows from investing activities of -2,401 thousand euros (previous year: -2,377 thousand euros). The increased liabilities due to financial institutions and cash outflows for leases, in addition to the dividend distribution for fiscal year 2021, resulted in cash flows from financing activities of 13,722 thousand euros (previous year: 5,468 thousand euros). At the reporting date the Group held 14,518 thousand euros in cash and cash equivalents (December 31, 2021: 23,289 thousand euros).

At the end of Q3 2022 DATA MODUL recorded an equity ratio of 54.8% (December 31, 2021: 60.3%). The Group thus remains solid financially, having sufficient liquidity.

Capital expenditure

Capital expenditure in the first nine months of 2022 totaled 2,401 thousand euros (previous year: 2,376 thousand euros). A major part of this investment went to expanding production and logistics capacity at the sites in Weikersheim (Germany) 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 (Germany), Lublin (Poland) and Shanghai (China), and will continue investing in research and development to ensure that we remain competitive as an enterprise.

6. Number of employees

The Group had 486 employees as of September 30, 2022 (previous year: 460).

7. Opportunities and risks

In fiscal year 2022 DATA MODUL is staying focused on growth in its core Displays and Systems business segments. Global economic trends, exchange rate movements, rising commodity and energy prices as well as 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. At this time no risks have been identified which could pose a going-concern threat for the DATA MODUL Group. No significant changes have occurred affecting statements made in the Opportunities and Risks section of the annual report for fiscal year 2021.

8. Events after the reporting period

We are unaware of any significant events that have occurred after the reporting date September 30, 2022 which would have had a major influence or impact on the Group's earnings or balance sheet.

9. Forecast

The statements made in the following regarding 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 economy got off to a good start in 2022 despite the return of pandemic lockdown measures, disrupted supply chains and the outbreak of the Ukraine war. The outlook since has worsened significantly, however. In the Covid crisis many consumers used up their financial reserves, and now a dramatic loss of purchasing power is becoming ever more obvious, combined with tighter lending conditions. Furthermore, large areas of China remain in lockdown. Even if falling demand makes upward price pressure subside, the Fed and ECB intend to continue raising interest rates and keep them at a high level. The geopolitical situation remains highly uncertain, thus the recovery anticipated to set in with the lifting of coronavirus restrictions is being delayed. Economic experts have revised their original growth forecasts from a consensus figure of 2.1% to 1.7% for 2023.

Catch-up effects related to the pandemic and an easing of supply chain problems had lent strength to the economy, but now economists are forecasting significant slowing for the US economy. Loss of purchasing power due to inflation and tighter lending conditions are expected to lead to recession in the first half of 2023, thus economists have revised their original projections from 0.5% growth for the US in 2023 to 0.3%.

Soaring electricity and gas prices seen in recent weeks combined with a de facto freeze of the Russian gas supply will substantially impact the eurozone economy. Initial countermeasures taken on the national and European levels will only partially cushion the blow. To counter surging inflation, the ECB reversed course on policy, raising key interest rates. This represents a historic turnaround for the ECB, coming after an era of ultra-loose monetary policy. Further rate hikes are expected to see the deposit rate increasing to 2.25%. Economists are forecasting a real GDP decline of -0.4% in the eurozone for 2023.

In their reports, leading economic research institutes foresee significant economic slowing for Germany. Supply chain problems have eased, so on the one hand the industry will likely be working down its high level of order backlog, but this positive development will likely be outweighed by spiking electricity and gas prices. The relief package enacted by the German government should however counteract this effect somewhat. The business mood concerning the next few months has again significantly worsened, as seen in the ifo business climate index falling to 84.3 in September from 88.6 (seasonally adjusted) in August – the lowest level reached since May 2020. For the full year 2023 analysts are projecting economic growth of -1.0%.

Given the major global uncertainties currently existing, DATA MODUL too faces a challenging market environment. Nonetheless, the Group intends to continue systematically executing on its long-term strategy program as a successful path to follow throughout good and bad times for the economy. In view of the robust orders situation at present, the Executive Board anticipates that business results for fiscal year 2022 will be highly satisfactory.

10. Related party disclosures

Per a disclosure dated April 11, 2017, ARROW Central Europe Holding Munich GmbH, Neu-Isenburg, 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 September 30, 2022

ASSETS	09/30/2022	12/31/2021
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,808	3,042
Property, plant and equipment	17,374	17,689
Right-of-use assets	11,710	10,864
Capitalized costs to fulfill a contract	10,869	8,516
Deferred tax assets	755	710
Total non-current assets	45,935	43,240
Current assets		
Inventories	111,746	86,702
Trade accounts receivable including impairments (2022: 549; 2021: 422)	46,455	29,202
Contract assets	4,478	3,239
Tax receivables	401	574
Other current assets	5,575	3,742
Other current financial assets	4,397	1,917
Cash and cash equivalents	14,518	20,224
Total current assets	187,570	145,600
Total assets	233,505	188,840

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	09/30/2022	12/31/2021
Shareholders' equity		
Share capital no-par-value bearer shares (shares issued and outstanding: 3,526,182 as of 09/30/2022 and as of 12/31/2021)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	91,861	78,513
Other reserves	1,437	722
Total shareholders' equity	127,996	113,933
Non-current liabilities		
Pensions and non-current personnel liabilities	1,482	1,482
Non-current provisions	223	171
Non-current contract liabilities	8,070	6,884
Non-current lease liabilities	12,036	11,045
Deferred tax liabilities	1,827	889
Total non-current liabilities	23,638	20,471
Current liabilities		
Trade accounts payable	20,157	20,953
Current contract liabilities	236	232
Current lease liabilities	2,386	2,335
Taxes payable	3,437	1,628
Current provisions	3,921	1,054
Liabilities due to financial institutions	31,031	15,000
Other current liabilities	14,746	9,133
Other current financial liabilities	5,957	4,101
Total current liabilities	81,871	54,436
Total liabilities	105,509	74,907
Total liabilities and shareholders' equity	233,505	188,840

All figures in KEUR

CONSOLIDATED STATEMENT OF INCOME

	07/01/ – 09/30/2022	07/01/ – 09/30/2021	01/01/ – 09/30/2022	01/01/ – 09/30/2021
Revenue	76,046	45,768	204,527	137,703
Cost of sales	(57,424)	(35,005)	(157,429)	(108,295)
Gross margin	18,622	10,763	47,098	29,408
Research and development expenses	(1,675)	(1,723)	(5,166)	(4,380)
Selling and general administrative expenses	(7,169)	(5,953)	(21,992)	(17,082)
Income from investments	0	0	0	0
Earnings before interest and taxes (EBIT)	9,778	3,087	19,940	7,946
Financial income	(124)	2	743	47
Financial expense	(221)	(1,832)	(580)	(1,784)
Earnings before taxes for the period	9,433	1,257	20,103	6,209
Income tax expense	(2,538)	(292)	(6,332)	(1,582)
Net income for the period	6,895	965	13,771	4,627
Earnings per share – basic	1.96	0.26	3.91	1.31
Earnings per share – diluted	1.96	0.26	3.91	1.31
Weighted average number of shares outstanding – basic	3,526,182	3,526,182	3,526,182	3,526,182
Weighted average number of shares outstanding – diluted	3,526,182	3,526,182	3,526,182	3,526,182

All figures in KEUR except earnings per share and weighted average no. shares outstanding

CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01/ – 09/30/2022	01/01/ – 09/30/2021
Cash flows from operating activities		
Net income for the period	13,771	4,627
<i>Non-cash expenses and income</i>		
Income tax expense	6,332	1,582
Depreciation/amortization and impairments	4,342	4,415
Provisions for bad debts	65	0
Net interest	546	378
Net loss from embedded derivatives measured at fair value through profit or loss	(739)	1,359
Other non-cash expenses and income	312	107
<i>Change in:</i>		
Inventories	(25,044)	(23,146)
Trade receivables and contract assets	(20,910)	(4,126)
Other assets	(3,494)	(4,260)
Trade accounts payable	(791)	11,716
Other liabilities and contract liabilities	12,110	2,841
Income taxes paid	(3,456)	(2,082)
Cash flows from operating activities	(16,956)	(6,589)
Cash flows from investing activities		
Capital expenditures with capitalizable development cost	(139)	(719)
Capital expenditures on other intangible assets and property, plant and equipment	(2,262)	(1,658)
Cash flows from investing activities	(2,401)	(2,377)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(1,545)	(1,437)
Cash inflows from current financial liabilities (+)	17,025	7,700
Cash outflows for current financial liabilities (-)	(1,000)	0
Dividend paid	(423)	(423)
Interest received (+) / paid (-) (net)	(540)	(378)
Other financing activities	205	6
Cash flows from financing activities	13,722	5,468
Effects of exchange rate movements on cash & cash equivalents	(71)	131
Net change in cash and cash equivalents	(5,706)	(3,367)
Cash and cash equivalents at beginning of the fiscal year	20,224	26,656
Cash and cash equivalents at end of the quarter	14,518	23,289

All figures in KEUR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital No. of shares	Share capital Amount	Capital reserves	Retained earnings	Other reserves	Total
BALANCE AS OF 01/01/2021	3,526,182	10,579	24,119	71,054	108	105,860
Net income for the period				4,627		4,627
Dividend				(423)		(423)
Foreign currency translation					370	370
BALANCE AS OF 09/30/2021	3,526,182	10,579	24,119	75,258	478	110,434
BALANCE AS OF 01/01/2022	3,526,182	10,579	24,119	78,513	722	113,933
Net income for the period				13,771		13,771
Dividend				(423)		(423)
Foreign currency translation					716	716
BALANCE AS OF 09/30/2022	3,526,182	10,579	24,119	91,861	1,437	127,996

All figures in KEUR, except number of shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	07/01/ – 09/30/2022	07/01/ – 09/30/2021	01/01/ – 09/30/2022	01/01/ – 09/30/2021
Net income for the period	6,895	965	13,771	4,627
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent reporting periods</i>				
<i>Adjustments from currency translation of foreign subsidiary results</i>	302	98	716	370
Comprehensive income after tax	7,197	1,063	14,486	4,997

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, 2021.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2021 were applied in preparing this abbreviated Consolidated Quarterly Report dated September 30, 2022. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The new IFRS rules applicable in fiscal year 2022 did not have any material impact on the balance sheet or earnings. These interim financial statements and interim management report have neither been audited as per § 317 of German Commercial Code (HGB) nor reviewed by an auditor.

The Consolidated Quarterly Report is prepared in euros (EUR). For presentation purposes, 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

This 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.

DATA MODUL Aktiengesellschaft

Landsberger Str. 322

80687 München

Tel. +49-89-5 6017-0

Fax +49-89-5 6017-119

www.data-modul.com

FINANCIAL CALENDAR 2023

2022 Annual Report	March 2023
Financial statements press conference	March 2023
Quarterly financial report dated March 31, 2023	May 2023
Half-year financial report dated June 30, 2023	August 2023
Quarterly financial report dated September 30, 2023	November 2023