

DATA MODUL Aktiengesellschaft
Produktion und Vertrieb von elektronischen Systemen

Munich

- ISIN: DE0005498901 -

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Compensation report for Supervisory Board members

The following compensation report pursuant to section 162 AktG outlines and explains the compensation individually granted and/or due in the fiscal year 2022 to current and former members of the Executive Board and Supervisory Board of DATA MODUL AG.

The compensation report for the previous fiscal year 2021 was approved by the Annual General Meeting of the Company on 10 May 2022. The compensation system also approved there pursuant to section 120a para. 1 AktG has been observed in this compensation report.

1. Compensation of the Executive Board

Compensation system for Executive Board members

For the fiscal years 2021 and 2022, the Supervisory Board resolved the compensation system for the Executive Board as of 1 January 2021 pursuant to sections 87 para. 1, 87a para. 1 AktG.

On 6 May 2021, the compensation system was submitted to the Annual General Meeting pursuant to section 120a para. 1 AktG and approved by the required majority vote.

In the fiscal year 2022, the Supervisory Board did not make use of any of the options established in the compensation system to deviate temporarily from the compensation system.

Overview of the compensation system

The compensation of Executive Board members of DATA MODUL AG is based on its size and global activities, its business and financial position, its profitability, and its prospects as well as the amount and structure of Executive Board compensation of comparable companies in and outside Germany.

In addition, the responsibilities and personal performance of the Executive Board are taken into account.

The compensation structure is designed to be competitive and to provide an incentive for successful work for sustainable corporate development.

The annual target amounts specified in the compensation system for fiscal year 2021 continued to apply unchanged for fiscal year 2022.

The following chart presents the components of the compensation system as well as the annual target amounts. Thereafter, the components, and how they were actually applied in the fiscal year 2022, are explained in detail.

Fixed components

1.	Basic salary	Annual target amount: EUR 230,000.00
2.	Bonus for retention	Annual target amount: EUR 100,000.00
3.	Fringe benefits	Annual target amount: EUR 15,000.00

Performance-based components

1.	EBIT-related executive bonus	Annual target amount: EUR 100,000.00
2.	Discretionary bonus	Annual target amount: EUR 50,000.00

The annual target amounts may be exceeded up to the amount of the maximum compensation.

Compensation components in detail

The basic salary is a fixed annual salary, payable in twelve equal instalments at the end of each calendar month.

In order to pay tribute to his loyalty to the group, the Company grants the sole Executive Board member a bonus payment in the amount of EUR 100,000.00, if he is still employed by the Company at the end of the fiscal year.

The fringe benefits mainly consist of the provision of a company car, contribution subsidies for accident, life and health insurance and the inclusion in the D&O insurance policy.

No company pension commitments have been made with regard to the sole Executive Board member.

The performance-based variable compensation in the form of the executive bonus depends on the attainment of certain financial targets. The executive bonus is an incentive for the contribution made by the Executive Board to the implementation of DATA MODUL AG's business strategy in the respective fiscal year.

To ensure that the executive bonus has a long-term incentive effect, only 2/3 of the executive bonus will be paid out after adoption of the annual financial statements and approval of the consolidated financial statements for the past fiscal year. The outstanding 1/3 of the executive bonus is only paid out in the following fiscal year if the DATA MODUL Group continues to develop positively.

The basis for calculating the executive bonus is the EBIT of the DATA MODUL Group, as reported in the consolidated financial statements for the past fiscal year.

The amount of the executive bonus paid out is staggered and depends on the percentage of DATA MODUL Group's actual EBIT compared with DATA MODUL Group's budgeted EBIT. Before the beginning of the respective fiscal year, the Supervisory Board approves a budgeted EBIT figure for DATA MODUL Group.

The figures reported in the adopted consolidated financial statements of the Company for the respective past fiscal year are decisive for the actual EBIT achieved by DATA MODUL Group.

In case a Executive Board member renders extraordinary services during his term of office which have a sustainably positive effect on DATA MODUL AG or DATA MODUL Group, he is entitled to a discretionary bonus payment in the relevant fiscal

year. The requirement of a sustainable positive effect contributes to the long-term value-added development of the Company.

The Supervisory Board decides on the existence and amount of the discretionary bonus. The amount of the discretionary bonus payment is based on the advantage achieved for DATA MODUL AG or DATA MODUL Group and is determined by the Supervisory Board at its reasonable discretion, taking into account the sustainable development of the Company and the appropriateness of the total compensation of the Executive Board member.

Observance of the maximum compensation

The Supervisory Board has determined that the total compensation that an Executive Board member can receive in a fiscal year under the current compensation system may not exceed an amount of EUR 785,000.00 (maximum compensation). This is ensured by a cap on the variable compensation. The sole Executive Board member observed and undercut the maximum compensation in the fiscal year 2022 with regard to the granted and/or due fixed and variable compensation.

Review of the appropriateness

The Supervisory Board regularly reviews the appropriateness and the conventionality of the Executive Board's compensation. The Supervisory Board includes companies from the Company's sector as well as other companies listed in the Prime Standard. In addition, the Supervisory Board considers the compensation of the senior management team and the total number of employees of DATA MODUL Group.

Executive Board compensation individually disclosed

Compensation of the sole Executive Board member

The following chart presents the fixed and variable compensation components granted and/or due in the fiscal year 2022 to the sole Executive Board member, including their relative share, pursuant to section 162 AktG and states the comparative values for the fiscal year 2021. The actual compensation includes the basic annual salary paid out in the fiscal year 2022, the fringe benefits accrued in the fiscal year 2022, the retention bonus paid out in the fiscal year 2022 and 2/3 of the executive bonus based on EBIT for the fiscal year 2021 and 1/3 of the executive bonus based on EBIT for the fiscal year 2020.

Dr. Florian Pesahl CEO since 1 January 2010					
		2021		2022	
		in kEUR	in % ¹	in kEUR	in %
Fixed compensation	Basic salary	224 ²	35	230	35
	Fringe benefits	18	3	18	3
	Retention bonus	100	16	100	16
Subtotal		342	54	348	54
Performance-based compensation	EBIT-related executive bonus (2/3)	147	23	147	23
	EBIT-related executive bonus (1/3)	37	6	37	6

¹ The relative share relates to the total compensation shown at the bottom of the chart.

² Dr. Pesahl voluntarily waived 10% of his basic salary during the months of short-time work at the Company in the fiscal year 2021.

	discretionary bonus	110	17	110	17
Subtotal		294	46	294	46
Total compensation		636	100	642	100

Compensation of former Executive Board members

The following chart contains the fixed and variable compensation components granted and/or due in the fiscal year 2022 to former Executive Board members who have terminated their activity within the last ten fiscal years, including their relative share, pursuant to section 162 AktG. The actual compensation includes company pensions paid out in the fiscal year 2022.

	Peter Hecktor (terminated his activity in the fiscal year 2014)			
	2021		2022	
	in kEUR	in %	in kEUR	in %
Company pension paid out	24	100	26	100
Sum	24	100	26	100

In addition, company pension in the amount of kEUR 30 was paid in the fiscal year 2022 to a further former Executive Board member who has terminated his activity more than ten years ago.

Clawback of variable compensation components

In the fiscal year 2022, the Supervisory Board did not find any cause to make use of the option provided for under the compensation system to reclaim variable compensation components.

Third-party benefits and termination benefits

In the fiscal year 2022, no third-party benefits or loans were granted to the sole Executive Board member, nor were any similar benefits granted. The sole Executive Board member does not receive any compensation from mandates for group companies.

There are no contractual agreements with the sole Executive Board member regarding the procedure in the event of premature termination of the Executive Board member's contract without good cause. The Supervisory Board is of the opinion that this is not appropriate because the Executive Board generally has no influence on a termination decision without good cause.

There is a severance payment provision in the event of a change of control at DATA MODUL AG amounting to a maximum of two years' compensation.

2. Compensation of the Supervisory Board

Compensation system for Supervisory Board members

Pursuant to section 113 para. 3 AktG, the Annual General Meeting of listed stock corporations shall resolve on the compensation of Supervisory Board members at least every four years.

Accordingly, on 6 May 2021, the Annual General Meeting confirmed the compensation of Supervisory Board members, as set forth in section 8 para. 5 of the articles of association of DATA MODUL AG, and the applicable compensation system for Supervisory Board members.

Overview of the compensation system

Pursuant to section 8 para. 5 of the articles of association of DATA MODUL, the Supervisory Board members receive a fixed annual compensation payable following the close of the fiscal year.

For individual Supervisory Board members, the annual fixed compensation amounts to EUR 20,000.00, the chairwoman receives twice this amount, and the deputy chairman receives 1.5 times this amount. Attendance fees are not paid.

In the fiscal year 2022, the compensation system for DATA MODUL AG's Supervisory Board was applied in all aspects as set forth in section 8 para. 5 of the articles of association.

Supervisory Board compensation individually disclosed

The following chart presents the fixed and variable compensation components granted and/or due in the fiscal year 2022 to the Supervisory Board members, including their relative share, pursuant to section 162 AktG. The actual compensation includes the annual fixed compensation paid out in the fiscal year 2022.

	Fixed compensation	
	in kEUR	in %
Kristin D. Russell	40	100
Total compensation	40	100
Rick Seidlitz	30	100
Total compensation	30	100
Eberhard Kurz	20	100
Total compensation	20	100
In total	90	

Supervisory Board members are reimbursed for their expenses incurred in connection with the performance of their office and for any value-added tax payable on their compensation.

Supervisory Board members do not receive loans from the Company.

3. D&O Insurance

The Company provides D&O insurance for Group board members. The insurance covers personal liability in cases of pecuniary loss claims brought against insured persons in connection with the performance of their duties. The insurance policy for the fiscal year 2022 stipulates a deductible for the Executive Board member in line with the German Stock Corporation Act and German Corporate Governance Code.

4. Comparative chart of changes in compensation and company performance

The following chart presents the annual change of the compensation granted and/or due to current and former Executive Board and Supervisory Board members, DATA MODUL AG's earnings performance and the compensation awarded to employees on a full-time equivalent basis, with the latter being based on the average wages and salaries of the employees of Group companies in Germany. In accordance with section 26j para. 2 sentence 2 EGAktG, the comparison presented begins with the financial year 2021.

		2021 in kEUR	2022 in kEUR	Δ in %
Executive Board	Dr. Florian Pesahl	636	642	0.9
	Peter Hecktor	24	26	8.3
Supervisory Board	Kristin D. Russell (Chairwoman)	40	40	0
	Rick Seidlitz (Deputy Chairman)	30	30	0
	Eberhard Kurz	20	20	0
Employees	Employees in Germany	56	58	3.6
Company performance	EBIT of DATA MODUL Group according to IFRS (in EUR million)	13	27	107.7

For the Executive Board
Dr. Florian Pesahl
CEO
of DATA MODUL AG

For the Supervisory Board
Kristin D. Russell
Chairwoman of the Supervisory Board
of DATA MODUL AG

Independent auditor's report

To
DATA MODUL Aktiengesellschaft Produktion und Vertrieb von elektronischen Systemen,
Munich

Opinion

We have audited the compensation report of DATA MODUL Aktiengesellschaft Produktion und Vertrieb von elektronischen Systemen, Munich for the fiscal year from 1 January 2022 to 31 December 2022, to determine whether the disclosures pursuant to section 162 para. 1 and 2 AktG have been made in the compensation report. In accordance with section 162 para. 3 AktG, we have not audited the content of the disclosures made in the compensation report.

In our opinion, the compensation report for the fiscal year from 1 January 2022 to 31 December 2022 complies, in all material respects, with the financial reporting provisions of section 162 para. 1 and 2 AktG. Our audit opinion does not cover the content of the disclosures made in the compensation report.

Legal Basis for the Opinion

We conducted our audit of the compensation report in compliance with section 162 para. 3 AktG and the requirements of IDW Audit Standard: The Audit of the Compensation Report in accordance with section 162 para. 3 AktG (IDW PS 870). Our responsibility under this provision and this standard is further described in the section "Auditor's responsibility" of our report.

As an auditing company, we have applied the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing practice (IDW QS 1). We have complied with the professional duties pursuant to the German Auditors' Code and the professional statutes of auditors / certified accountants, including the requirements for independence.

Responsibility of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board are responsible for setting-up the compensation report, including the related disclosures, that complies with the requirements

of section 162 AktG. They are further responsible for such internal control as they determine is necessary to enable the setting-up of the compensation report, including the related disclosures, to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our objective is to obtain reasonable assurance about whether the disclosures required by section 162 para. 1 and 2 AktG have been made in all material respects in the compensation report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to obtain evidence about the formal completeness of the compensation report by comparing the disclosures made in the compensation report with the disclosures required by section 162 para. 1 and 2 AktG. In accordance with section 162 para. 3 AktG, we did not verify the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the compensation report.

Dealing with any misleading representations

In connection with our audit, we have a responsibility to read the compensation report, taking into account the knowledge gained from the audit of the financial statements, and to remain alert for indications of whether the compensation report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the fair presentation of the compensation report.

If, based on the audit we have performed, we conclude that such misleading representations exist, we are required to report that fact. We have nothing to report in this context.

Munich, in March 2023

**Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft**

Christian Schönhofer
German Public Auditor

Isabel Hohenegg
German Public Auditor