

DATA MODUL

QUARTERLY REPORT
AS OF MARCH 31, 2023



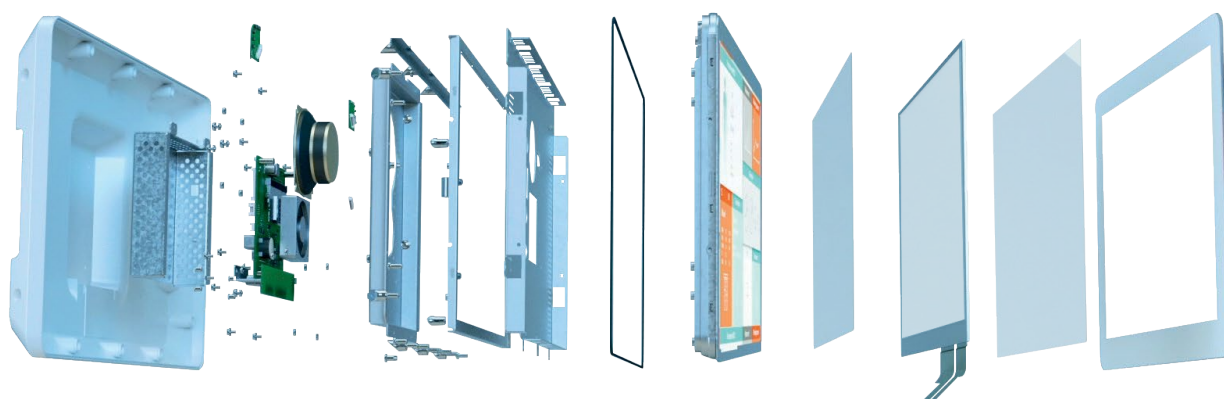
Dear Shareholders,

DATA MODUL started out 2023 with significantly higher sales and EBIT year over year, recording similar business growth as seen over the last few successful years.

New order volume in the first quarter of 2023 was up 23.5% year-over-year to 84.7 million euros (previous year: 68.6 million euros). Revenue was up 14.5% versus the first quarter of 2022 to 72.4 million euros (previous year: 63.3 million euros).

EBIT for the first quarter of 2023 increased 15.6% to 4.8 million euros, in line with rising sales (previous year: 4.2 million euros) for an EBIT margin of 6.7% (previous year: 6.6%). Net income for the period ended March 31, 2023 was even with last year's first-quarter result (previous year: 3.3 million euros). Unchanged net income for the period principally reflects the positive earnings impact of foreign currency derivatives last year.

With orders received remaining at a high level, we anticipate good results for fiscal year 2023. The economic outlook remains clouded by major uncertainty however, the most recently emerging factors being troubles in the banking sector and high inflation. DATA MODUL is confident nonetheless regarding our earnings targets because of our commitment to systematically executing on our long-term strategy program, enabling us to deal effectively with adverse economic conditions, even in times of crisis.



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

The German economy has been contracting since year-end, coming after a quite robust recovery lasting on into late summer. Demand for German goods and services is declining following the subdued performance of the global economy, and high inflation rates are weighing on consumer spending and construction activity due to reduced purchasing power and significantly higher financing costs. Historic rates of inflation have been seen for several months now. Energy prices have been gradually falling since autumn, but the core inflation rate for all other goods and services has steadily risen. The will to raise interest rates further is being eroded by troubles in the banking sector and spiking borrowing costs. The Fed and ECB are not likely to raise interest rates further as of May. In the current inflationary environment however, there is no sign of central banks moving swiftly to cut interest rates. Instability in the banking sector stemming from the bankruptcy of Silicon Valley Bank is likely to result in borrowing conditions further tightening, keeping the brakes on the economic growth. Banking problems are not expected to escalate in the eurozone, however. The recent strikes in response to substantial pressure on wages are also likely to have a slowing effect on economic recovery in France and Germany.

Despite economic uncertainty, the mood regarding the German economy has improved. In their spring reports, leading economic research institutes have noted signals of a positively changing mood. In April the ifo business climate index rose to a value of 93.6, up from a seasonally adjusted 93.2 in March, representing the sixth rise in a row. Corporate expectations are the main factor behind this uptrend. DATA MODUL is looking ahead to the rest of 2023 with confidence.

2. Key figures

in KEUR	01/01/ - 03/31/2023	01/01/ - 03/31/2022	Change
Total revenue	72,414	63,266	14.5%
Displays	45,001	39,326	14.4%
Systems	27,413	23,940	14.5%
Orders received	84,708	68,587	23.5%
EBIT ¹⁾	4,849	4,193	15.6%
EBIT margin ²⁾	6.7%	6.6%	1.0%
Net income for the period	3,311	3,312	0.0%
Capital expenditure ³⁾	671	577	16.3%
Employees ⁴⁾	504	491	2.6%
Earnings per share (in EUR)	0.94	0.94	0.0%
Number of shares outstanding	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

3. Business results

DATA MODUL recorded revenue of 72,414 thousand euros for the first three months of the current fiscal year (previous year: 63,266 thousand euros), up 14.5% year-over-year for the quarter. The Displays business segment recorded revenue of 45,001 thousand euros for the first quarter (previous year: 39,326 thousand euros), while 27,413 thousand euros were recorded for the Systems business segment (previous year: 23,940 thousand euros). Orders received rose 23.5% for the Group versus the first quarter of last year to 84,708 thousand euros (previous year: 68,587 thousand euros). The Company continues to see successful results from its internationalization efforts, even though the export rate declined slightly to 51.6% in the first three months of the year (previous year: 53.7%)

4. Earnings

The economic environment remains difficult for DATA MODUL given modest global economic growth and declining demand for German goods and services, combined with the impact of high inflation in the first quarter of 2023. The Company posted very good results however for the first quarter of 2023, posting EBIT of 4,849 thousand euros (previous year: 4,193 thousand euros) for an EBIT margin of 6.7% (previous year: 6.6%). The Displays business segment recorded EBIT of 2,019 thousand euros for the period (previous year: 1,426 thousand euros), while the Systems business segment recorded EBIT of 2,830 thousand euros (previous year: 2,767 thousand euros). DATA MODUL recorded net income of 3,311 thousand euros for the period ended March 31, 2023, right in line with last year's result (previous year: 3,312 thousand euros), for earnings per share of 0.94 euros (previous year: 0.94 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 181 thousand euros was recorded from these embedded derivatives (previous year: net gain of 870 thousand euros).

5. Balance sheet

The balance sheet total has declined by 648 thousand euros since year-end to 221,386 thousand euros (December 31, 2022: 222,033 thousand euros). On the assets side of the balance sheet this decrease mainly reflected the lower positive fair value of the embedded foreign currency derivative and lower inventories. On the liabilities and equity side, the decline in the balance sheet total mainly reflected the lower negative fair value of the embedded foreign currency derivative and to lower trade payables, offset by the increase in liabilities to banks and increase in equity resulting from 2022 earnings carried forward.

Cash flow from operating activities came to -1,398 thousand euros as of March 31, 2023 (previous year: -11,771 thousand euros). This was due primarily to increased trade receivables, increased contract assets and lower trade accounts payable. Cash flow from investing activities came to -671 thousand euros for the first three months of 2023, reflecting investments in intangible assets and property, plant and equipment (previous year: -577 thousand euros). Factoring in new borrowings, cash flow from financing activities for the first quarter of 2023 came to 2,670 thousand euros (previous year: 9,338 thousand euros). At the reporting date the Group held 16,228 thousand euros in cash and cash equivalents (December 31, 2022: 15,669 thousand euros).

As of March 31, 2023 DATA MODUL had an equity ratio of 60.9% (December 31, 2022: 59.4%). The Group thus remains very solid financially, having sufficient liquidity.

6. Investments

Investments totaling 671 thousand euros were made in the first three months of the year in intangible assets and property, plant and equipment (previous year: 577 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) and Lublin (Poland). We will furthermore continue investing in research and development to ensure that we remain competitive as an enterprise.

7. Employees

The Group had 504 employees as of March 31, 2023 (previous year: 491).

8. Opportunities and risks

In fiscal 2023 DATA MODUL will remain focused on growth in its core business segments: Displays and Systems. 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. 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 2022.

9. Events after the reporting period

We are unaware of any significant events that have occurred after the reporting date March 31, 2023 which would have had a major influence or impact on the Group's earnings or balance sheet.

10. 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 geopolitical conflict between Russia and Ukraine, backed by Western allies, continues to create extraordinary uncertainty, as does the instability seen in the banking sector.

Despite the global economy recovering at year-end and a better-than-expected start to this year, problems in the banking sector and persistent high inflation are slowing global GDP growth and creating new uncertainties. The announcement of the bankruptcy of Silicon Valley Bank (SVB) in the US rocked the banking sector, which will likely lead to higher funding costs for banks and tighter lending conditions. Corporations will likely be less interested in investing due to the instability created by this situation. Core inflation remains a problem despite falling energy prices and declining inflation caused by base effects. Due to increasing bank funding costs and widespread market volatility, central banks are becoming less willing to hike interest rates any further. Interest rates should peak in May as the Fed and ECB cease tightening. China has recorded surprisingly strong economic data since the country ended its zero-Covid strategy. The Chinese economy is recovering faster than expected, stimulating the global economy in turn—which is good news given how weak demand from China was affecting European economies in particular. The global economy thus remains subject to a generally high level of uncertainty, and the recovery expected following the lifting of Covid restrictions and supply chain restoration is delayed.

The collapse of Silicon Valley Bank, which roiled the banking sector, has noticeably impacted the US economy, which however continues to robustly expand. In response to tightening funding terms for banks, the Fed will likely change course, with interest rates likely to peak in the second quarter. Rapid intervention by the Fed and US Treasury largely insulated the real economy from being immediately hit by bank failures, but the US is experiencing increasing economic uncertainty. Leading economic research institutes are sticking to their 2023 GDP forecast for the US of 0.7% for the year 2023.

Globally the banking sector is in turmoil, but the ECB is confident of the strength of the eurozone banking system

and does not anticipate further escalation. Financing terms have tightened noticeably however, as reflected in a fall in loans to and increasing borrowing costs for private households. This will likely undermine investment and delay economic recovery. Waves of strikes in France and Germany as workers demand higher wages to keep up with inflation have restrained their economies as well. Economists are sticking to their forecast of the eurozone dipping into a minor recession.

Core inflation remains stubbornly high in Germany. Despite falling energy prices, food prices continue to rise while wage pressure too has become noticeable in embittered strikes conducted by transport workers and state employees. The earlier part of 2023 will thus likely see economic slowing due to the threat of inflation, more expensive financing and strikes.

Given the major economic instability at this time, 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 present orders situation, the Executive Board anticipates good results for fiscal year 2023.

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 2023

ASSETS	03/31/2023	12/31/2022
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,562	2,719
Property, plant and equipment	17,390	17,525
Right-of-use assets	10,898	11,310
Capitalized costs to fulfill a contract	10,092	9,927
Deferred tax assets	1,173	912
Total non-current assets	44,534	44,812
Current assets		
Inventories	108,303	109,803
Trade accounts receivable including impairments (2023: 445; 2022: 408)	39,643	37,577
Contract assets	4,564	3,235
Tax receivables	142	429
Other current assets	5,377	3,871
Other current financial assets	2,595	6,637
Cash and cash equivalents	16,228	15,669
Total current assets	176,852	177,221
Total assets	221,386	222,033

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	03/31/2023	12/31/2022
Shareholders' equity		
Share capital no-par value bearer shares (issued and outstanding: 3,526,182 as of 03/31/2023 and 12/31/2022)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	99,418	96,165
Other reserves	811	917
Total shareholders' equity	134,927	131,780
Non-current liabilities		
Pensions and non-current personnel liabilities	1,154	1,154
Non-current provisions	248	246
Non-current contract liabilities	7,573	8,039
Non-current lease liabilities	11,016	11,411
Deferred tax liabilities	1,903	1,619
Total non-current liabilities	21,894	22,469
Current liabilities		
Trade accounts payable	16,482	19,708
Current contract liabilities	185	206
Current lease liabilities	2,407	2,402
Taxes payable	5,055	4,487
Current provisions	2,134	1,733
Liabilities due to financial institutions	23,560	20,021
Other current liabilities	10,629	11,414
Other current financial liabilities	4,113	7,813
Total current liabilities	64,565	67,784
Total liabilities	86,459	90,253
Total liabilities and shareholders' equity	221,386	222,033

All figures in KEUR

CONSOLIDATED STATEMENT OF INCOME

	01/01 – 03/31/2023	01/01 – 03/31/2022
Revenue	72,414	63,266
Cost of sales	(57,968)	(49,964)
Gross margin	14,446	13,302
Research and development expenses	(1,883)	(1,574)
Selling and general administrative expenses	(7,714)	(7,535)
Earnings before interest and taxes (EBIT)	4,849	4,193
Financial income	184	871
Financial expense	(390)	(154)
Earnings before taxes for the period	4,643	4,910
Income tax expense	(1,332)	(1,598)
Net income for the period	3,311	3,312
Earnings per share – undiluted	0.94	0.94
Earnings per share – diluted	0.94	0.94
Weighted average number of shares outstanding – undiluted	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 number of shares outstanding

CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01/ – 03/31/2023	01/01/ – 03/31/2022
Cash flows from operating activities		
Net income for the period	3,311	3,312
<i>Non-cash expenses and income</i>		
Income tax expense	1,296	1,597
Depreciation/amortization and impairments	1,446	1,462
Provisions for bad debts	115	0
Net interest	387	153
Net loss (+)/gain (-) from embedded derivatives measured at fair value through profit or loss	(181)	(870)
Other non-cash expenses and income	(34)	84
Changes:		
Inventories	1,500	(16,626)
Trade receivables and contract assets	(3,674)	(10,029)
Other assets	3,034	(671)
Trade accounts payable	(3,199)	5,694
Other liabilities and contract liabilities	(4,693)	4,496
Income taxes paid	(705)	(373)
Cash flows from operating activities	(1,398)	(11,771)
Cash flows from investing activities		
Capital expenditures with capitalizable development cost	(35)	(77)
Capital expenditures on other intangible assets and property, plant and equipment	(636)	(500)
Cash flows from investing activities	(671)	(577)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(449)	(509)
Cash inflows from current financial liabilities (+)	6,000	10,000
Cash outflows for current financial liabilities (-)	(2,500)	0
Interest received (+) / paid (-) (net)	(387)	(153)
Other financing activities	6	0
Cash flows from financing activities	2,670	9,338
Effects of exchange rate movements on cash & cash equivalents	(42)	3
Net change in cash and cash equivalents	559	(3,007)
Cash and cash equivalents at beginning of the fiscal year	15,669	20,224
Cash and cash equivalents at end of the quarter	16,228	17,217

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 01/01/2022	3,526,182	10,579	24,119	78,513	722	113,933
Net income for the period				3,312		3,312
Other comprehensive in- come (loss)						0
Foreign currency transla- tion					90	90
BALANCE AS OF 03/31/2022	3,526,182	10,579	24,119	81,825	812	117,335
BALANCE AS OF 01/01/2023	3,526,182	10,579	24,119	96,165	917	131,780
Net income for the period				3,311		3,311
Other comprehensive in- come (loss)				(58)		(58)
Foreign currency transla- tion					(106)	(106)
BALANCE AS OF 03/31/2023	3,526,182	10,579	24,119	99,418	811	134,927

All figures in KEUR except number of shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/01 – 03/31/2023	01/01 – 03/31/2022
Net income for the period	3,311	3,312
<i>Other comprehensive income to be reclassified to profit/loss in subsequent reporting periods</i>		
Adjustments from currency translation of foreign subsidiary results	(106)	90
Adjustments from currency translation of a net investment in a foreign operation	(58)	0
Comprehensive income after tax	3,147	3,402

All figures in KEUR

NOTES

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, 2022.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2022 were applied in preparing this Consolidated Quarterly Report dated March 31, 2023. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The IFRS standards newly adopted in fiscal year 2022 had no material effect on our balance sheet or earnings. 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, 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 60 17-0

Fax +49-89-5 60 17-119

www.data-modul.com

FINANCIAL CALENDAR 2023

<u>Annual Shareholders' Meeting</u>	<u>May 9, 2023</u>
<u>Half-year financial report dated June 30, 2023</u>	<u>August 4, 2023</u>
<u>Quarterly financial report dated September 30, 2023</u>	<u>November 3, 2023</u>