

# DATA MODUL

HALF-YEAR REPORT  
AS OF JUNE 30, 2023



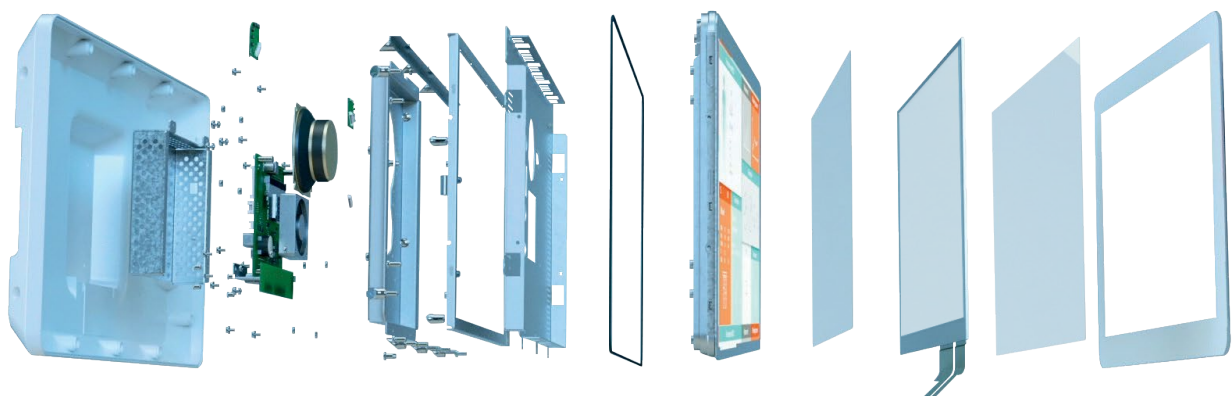
*Dear Shareholders,*

*DATA MODUL closed out the second quarter of 2023 with good business results, continuing on the successful track the company has been on since the start of the year.*

*Order backlog rose 3.0% to 201.3 million euros (previous year: 195.5 million euros). Orders received in the second quarter declined 22.9% however to 63.5 million euros (previous year: 82.3 million euros). For the half-year orders received were down 1.8% versus the first half of 2022 to 148.2 million euros (previous year: 150.9 million euros). Revenue rose 2.3% versus the second quarter of 2022 to 66.7 million euros (previous year: 65.2 million euros). Revenue for the half-year was up 8.3% year-over-year to 139.1 million euros (previous year: 128.5 million euros).*

*Second-quarter EBIT declined by a slight 4.2% to 5.7 million euros (previous year: 6.0 million euros) for an EBIT margin of 8.6% (previous year: 9.2%). EBIT for the half-year increased 4.0% to 10.6 million euros (previous year: 10.2 million euros) for an EBIT margin of 7.6% (previous year: 7.9%). Net income for the second quarter of 2023 rose 6.5% year-over-year to 3.8 million euros (previous year: 3.6 million euros). Net income for the period ending June 30, 2023 was 3.4% higher year-over-year at 7.1 million euros (previous year: 6.9 million euros).*

*These business results affirm the solidity of the DATA MODUL strategy, which we intend to continue systematically pursuing. In view of the favorable orders situation, the Executive Board anticipates overall successful results for fiscal year 2023.*



# INTERIM GROUP MANAGEMENT REPORT

## 1. General economic conditions

The global economy was recovering toward the end of the year and the new year started off better than expected, but problems emerging in the banking sector and persistently high inflation put the brakes on global GDP growth, creating new worries. The troubles that have roiled the banking sector since announcement of the bankruptcy of the Silicon Valley Bank (SVB) in the US will likely bring about higher funding costs for banks and tighter lending conditions. The uncertainty this situation has unleashed is expected to restrain corporate capital expenditure. Due to base effects, core inflation has held steady despite retreating energy prices and other declining inflation metrics. In a surprise move contrary to the expectations of leading economic research institutes, the FED and ECB announced further interest rate hikes after their meetings. While businesses have thus far refrained from layoffs in view of the shortage of skilled workers, this will likely change over the months ahead. The cooling labor market and falling demand should gradually ease inflationary pressure. A lowering of interest rates is not anticipated until mid-2024. The latest events in Russia are indicative of the continuing high level of geopolitical turmoil. The second half of the year is expected to yield a mixed picture, with the US in a mild recession. Leading economic research institutes are forecasting modest economic growth for Germany. The business mood regarding the next few months ahead has again significantly worsened, as in June the ifo business climate index fell to a value of 88.5, down from a seasonally adjusted 91.5 in May.

DATA MODUL is nonetheless confident however regarding its full-year results for 2023 and is prepared to stand firm in the face of a troubled global economic environment fraught with major challenges.

## 2. Key figures

	04/01 - 06/30/2023	04/01 - 06/30/2022	Change	01/01/ - 06/30/2023	01/01/ - 06/30/2022	Change
Total revenue	66,704	65,215	2.3%	139,118	128,481	8.3%
Displays	43,887	41,327	6.2%	88,888	80,652	10.2%
Systems	22,817	23,889	-4.5%	50,230	47,829	5.0%
Orders received	63,467	82,291	-22.9%	148,175	150,878	-1.8%
EBIT <sup>1)</sup>	5,718	5,969	-4.2%	10,567	10,162	4.0%
EBIT margin <sup>2)</sup>	8.6%	9.2%	-6.8%	7.6%	7.9%	-3.8%
Net income for the period	3,796	3,564	6.5%	7,108	6,876	3.4%
Capital expenditure <sup>3)</sup>	1,746	894	95.3%	2,417	1,471	64.3%
Employees <sup>4)</sup>	513	484	6.0%	513	484	6.0%
Earnings per share (in euros)	1.08	1.01	6.6%	2.02	1.95	3.4%
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 66,704 thousand euros for the second quarter of 2023 (previous year: 65,215 thousand euros), up 2.3% year-over-year. In a half-year view, revenue rose 8.3% to 139,118 thousand euros from 128,481 thousand euros in the previous year. The Displays business segment recorded revenue of 43,887 thousand euros in the second quarter (previous year: 41,327 thousand euros), and the Systems division recorded revenue of 22,817 thousand euros (previous year: 23,889 thousand euros). The Group saw a 22.9% year-over-year fall in orders received for the quarter to 63,467 thousand euros (previous year: 82,291 thousand euros). International revenue remained at a high level thanks to the Company's persistent internationalization efforts, although the export rate declined slightly to 50.6% (53.6%).

### 4. Earnings

DATA MODUL recorded increased year-over-year revenue for the second quarter of 2023 across nearly all industries and regions. DATA MODUL has thus again demonstrated the robust reliability of its earnings, even in a mixed economic climate in which global uncertainty has been running high for some time. EBIT of 5,718 thousand euros was recorded for the second quarter of 2023 (previous year: 5,969 thousand euros). This resulted in EBIT margin narrowing to 8.6% (previous year: 9.2%). For the half-year, EBIT rose 4.0% to 10,567 thousand euros (previous year: 10,162 thousand euros), reflecting EBIT margin of 7.6% (previous year 7.9%). The Displays business segment recorded EBIT of 5,128 thousand euros (previous year: 4,135 thousand euros), while the Systems business segment recorded EBIT of 5,439 thousand euros (previous year: 6,027 thousand euros). Net income for the second quarter of 2023 rose 6.5% to 3,796 thousand euros (previous year: 3,564 thousand euros). The year-to-date net income recorded as of June 30, 2023, of 7,108 thousand euros was up 3.4% year-over-year (previous year: 6,876 thousand euros), for earnings per share of 2.02 euros (previous year: 1.95 euros). Earnings for the first six months of 2023 were negatively affected by the movement of the EUR-USD currency pair. 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. Net profit from these embedded derivatives totaled 66 thousand euros (previous year: net profit of 864 thousand euros).

### 5. Balance sheet

The balance sheet total has increased by 6,036 thousand euros since year-end to 228,069 thousand euros (December 31, 2022: 222,033 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 and the positive net income recorded.

Cash flows from operating activities came to -6,363 thousand euros as of June 30, 2023 (previous year: -19,528 thousand euros). This was mainly due to increased inventories and trade receivables. Investments in intangible assets and property, plant and equipment in the first half of 2023 resulted in cash flow from investing activities of -2,417 thousand euros (previous year: -1,472 thousand euros). The increased liabilities due to financial institutions and cash outflows for leases, in addition to the dividend distribution for fiscal year 2022, resulted in cash flows from financing activities of 3,348 thousand euros (previous year: 15,252 thousand euros). At the reporting date the Group held 10,251 thousand euros in cash and cash equivalents (December 31, 2022: 15,669 thousand euros).

At the end of the second quarter of 2023 DATA MODUL had an equity ratio of 60.7% (December 31, 2022: 59.4%). The Group thus remains solid financially, having sufficient liquidity.

### 6. Capital expenditure

Capital expenditures in the first half of 2023 totaled 2,417 thousand euros (previous year: 1,471 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), and will continue investing in research and development to ensure that we remain

competitive as an enterprise.

## 7. Number of employees

The Group had 513 employees as of June 30, 2023 (previous year: 484).

## 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 June 30, 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 global economy was recovering at the turn of the year, but persistent, high inflation and high borrowing costs slowed global GDP growth in the first half of 2023. Inflation has remained at historic high levels for several months. Commodity and energy prices have been gradually declining since autumn, yet core inflation remains high. The ECB and FED have raised interest rates even further in an effort to combat surging inflation, which in part has been fueled by a robust labor market. The labor market is now expected to soften and demand fall, leading to an easing of inflationary pressure in the second half of the year. The outlook for the global economy in the second half of the year remains a mixed picture.

The US Federal Reserve Bank again raised interest rates in July in view of a robust USA economy and the slow pace of labor market cooling. Tighter monetary policy and weakening wage dynamics will likely take effect in the second half of the year, reducing inflationary pressure. Leading economic research institutes are keeping their growth forecast for 2023 at 1.1% but revising projected US GDP growth for 2024 from 1.3% down to 0.9% in view of interest rates.

ECB President Christine Lagarde unambiguously announced a further rate hike coming in July, counter to expectations. Interest rates appear to have reached their peak however, as core inflation has clearly lost momentum and energy, commodity and food prices are falling. Price pressures affecting manufacturing inputs have nearly subsided, leading to a substantial lowering of the inflation forecast to 5.2%. The prolonged cycle of tightening combined with slowing demand from the US and China will impact the euro zone economy. Economists have slashed their previous growth forecast of 1.3% for the eurozone down to 1.0% for 2024.

Leading economic research institutes are forecasting weak economic growth for Germany, where falling commodity prices and lower producer and import prices are putting a significant brake on inflation. Average inflation of 6% is projected for the year, set to fall again by half in the year following. Factors favoring lower inflation include as well restrained consumer spending and weaker demand from the US and China—Germany's

two biggest trading partners. Economists have substantially lowered their economic growth forecast for 2024 from 1.7% to 1.3%.

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 both good and bad times for the economy. In view of the strong orders situation, the Executive Board anticipates that fiscal year 2023 will yield handsome results.

#### **11. 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 JUNE 2023

ASSETS	06/30/2023	12/31/2022
<b>Non-current assets</b>		
Goodwill	2,419	2,419
Intangible assets	2,468	2,719
Property, plant and equipment	18,388	17,525
Right-of-use assets	11,338	11,310
Capitalized costs to fulfill a contract	9,933	9,927
Deferred tax assets	1,128	912
Total non-current assets	<b>45,674</b>	<b>44,812</b>
<b>Current assets</b>		
Inventories	115,342	109,803
Trade accounts receivable including impairments (2023: 501; 2022: 422)	43,625	37,577
Contract assets	4,570	3,235
Tax receivables	376	429
Other current assets	6,648	3,871
Other current financial assets	1,583	6,637
Cash and cash equivalents	10,251	15,669
Total current assets	<b>182,395</b>	<b>177,221</b>
<b>Total assets</b>	<b>228,069</b>	<b>222,033</b>

All figures in KEUR

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>06/30/2023</b>	<b>12/31/2022</b>
<b>Shareholders' equity</b>		
Share capital no-par-value bearer shares (shares issued and outstanding: 3,526,182 as of June 30, 2023 and December 31, 2022)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	102,798	96,165
Other reserves	982	917
<b>Total shareholders' equity</b>	<b>138,478</b>	<b>131,780</b>
<b>Non-current liabilities</b>		
Pensions and non-current personnel liabilities	1,405	1,154
Non-current provisions	0	246
Non-current contract liabilities	7,456	8,039
Non-current lease liabilities	11,095	11,411
Deferred tax liabilities	1,815	1,619
<b>Total non-current liabilities</b>	<b>21,771</b>	<b>22,469</b>
<b>Current liabilities</b>		
Trade accounts payable	22,783	19,708
Current contract liabilities	166	206
Current lease liabilities	2,538	2,402
Taxes payable	1,530	4,487
Current provisions	2,105	1,733
Liabilities due to financial institutions	25,577	20,021
Other current liabilities	10,001	11,414
Other current financial liabilities	3,120	7,813
<b>Total current liabilities</b>	<b>67,820</b>	<b>67,784</b>
<b>Total liabilities</b>	<b>89,591</b>	<b>90,253</b>
<b>Total liabilities and shareholders' equity</b>	<b>228,069</b>	<b>222,033</b>

All figures in KEUR



## CONSOLIDATED STATEMENT OF INCOME

	04/01/ – 06/30/2023	04/01/ – 06/30/2022	01/01/ – 06/30/2023	01/01/ – 06/30/2022
Revenue	66,704	65,215	139,118	128,481
Cost of sales	(52,468)	(50,041)	(110,436)	(100,005)
<b>Gross margin</b>	<b>14,236</b>	<b>15,174</b>	<b>28,682</b>	<b>28,476</b>
Research and development expenses	(1,961)	(1,917)	(3,844)	(3,491)
Selling and general administrative expenses	(6,557)	(7,288)	(14,271)	(14,823)
<b>Earnings before interest and taxes (EBIT)</b>	<b>5,718</b>	<b>5,969</b>	<b>10,567</b>	<b>10,162</b>
Financial income	(111)	(4)	73	867
Financial expense	(465)	(205)	(855)	(359)
<b>Earnings before taxes for the period</b>	<b>5,142</b>	<b>5,760</b>	<b>9,785</b>	<b>10,670</b>
Income tax expense	(1,345)	(2,196)	(2,677)	(3,794)
<b>Net income for the period</b>	<b>3,796</b>	<b>3,564</b>	<b>7,108</b>	<b>6,876</b>
Earnings per share – basic	1.08	1.01	2.02	1.95
Earnings per share – diluted	1.08	1.01	2.02	1.95
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/ – 06/30/2023	01/01/ – 06/30/2022
<b>Cash flows from operating activities</b>		
Net income for the period	7,108	6,876
<i>Non-cash expenses and income</i>		
Income tax expense	2,629	3,794
Depreciation/amortization and impairments	2,950	2,893
Provisions for bad debts	115	47
Net interest	848	356
Net loss from embedded derivatives measured at fair value through profit or loss	(66)	(864)
Other non-cash expenses and income	(378)	99
<i>Change in:</i>		
Inventories	(5,538)	(19,377)
Trade receivables and contract assets	(7,503)	(13,218)
Other assets	2,294	(2,278)
Trade accounts payable	3,124	(3,590)
Other liabilities and contract liabilities	(6,470)	8,312
Income taxes paid	(5,475)	(2,578)
<b>Cash flows from operating activities</b>	<b>(6,363)</b>	<b>(19,528)</b>
<b>Cash flows from investing activities</b>		
Capital expenditures with capitalizable development cost	(53)	(126)
Capital expenditures on other intangible assets and property, plant and equipment	(2,364)	(1,346)
<b>Cash flows from investing activities</b>	<b>(2,417)</b>	<b>(1,472)</b>
<b>Cash flows from financing activities</b>		
Outflows for the redemption portion of lease liabilities	(921)	(1,031)
Cash inflows from current financial liabilities (+)	10,500	17,000
Cash outflows for current financial liabilities (-)	(5,000)	0
Dividends paid	(423)	(423)
Interest received (+) / paid (-) (net)	(792)	(341)
Other financing activities	(16)	47
<b>Cash flows from financing activities</b>	<b>3,348</b>	<b>15,252</b>
Effects of exchange rate movements on cash & cash equivalents	14	(85)
<b>Net change in cash and cash equivalents</b>	<b>(5,418)</b>	<b>(5,833)</b>
Cash and cash equivalents at beginning of the fiscal year	15,669	20,224
<b>Cash and cash equivalents at end of the quarter</b>	<b>10,251</b>	<b>14,391</b>

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				6,876		6,876
Dividend				(423)		(423)
Foreign currency translation					414	414
<b>BALANCE AS OF 06/30/2022</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>84,965</b>	<b>1,136</b>	<b>120,799</b>
BALANCE AS OF 1/1/2023	3,526,182	10,579	24,119	96,165	917	131,780
Net income for the period				7,108		7,108
Dividend				(423)		(423)
Other comprehensive income (loss)				(52)		(52)
Foreign currency translation					65	65
<b>BALANCE AS OF 06/30/2023</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>102,798</b>	<b>982</b>	<b>138,478</b>

All figures in KEUR, except number of shares.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	04/01/ – 06/30/2023	04/01/ – 06/30/2022	01/01/ – 06/30/2023	01/01/ – 06/30/2022
Net income for the period	3,796	3,564	7,108	6,876
<i>Other comprehensive income (loss) to be reclassified to profit/loss in subsequent reporting periods</i>				
<i>Adjustments from currency translation of foreign subsidiary results</i>	171	324	65	414
Comprehensive income after tax	3,973	3,888	7,121	7,290

All figures in KEUR

## INCOME TAX

Income tax expense breaks down into the following principal items on the consolidated statement of income:

	01/01/ – 06/30/2023	01/01/ – 06/30/2022
Actual tax expense	(2,653)	(3,209)
Deferred income taxes	(24)	(585)
Income tax expense	(2,677)	(3,794)

All figures in KEUR

## DIVIDEND TO SHAREHOLDERS

	06/30/2023	06/30/2022
Approved and distributed dividends on common stock	423	423

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, 2022.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2022, were applied in preparing this abbreviated Consolidated Half-year Financial Report dated June 30, 2023. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The new IFRS rules applicable in fiscal year 2023 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 Half-year Financial Report is prepared in euro denomination (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.

### Segment reporting

For business management purposes, the Group is organized into business units based on products and services. The Group's two reporting segments are Displays and Systems.

<b>Segment results 01/01 – 06/30/2023</b>	<b>Displays</b>	<b>Systems</b>	<b>Group total</b>
Revenue	88,888	50,230	139,118
Net income for the period	3,131	3,977	7,108

<b>Segment results 01/01 – 06/30/2022</b>	<b>Displays</b>	<b>Systems</b>	<b>Group total</b>
Revenue	80,652	47,829	128,481
Net income for the period	2,433	4,443	6,876

All figures in KEUR

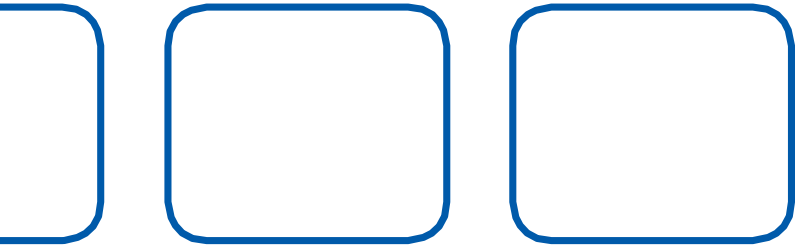
**Management Representation**

I represent, to the best of my knowledge and in accordance with the applicable accounting principles for interim financial reporting, that the Interim Consolidated Financial Statements present a true and fair view of the Group's financial position, financial performance and cash flows, and that the Interim Group Management Report describes fairly, in all material respects, the Group's business performance, results and financial position, as well as significant risks and opportunities of relevance to the Group during the remainder of the fiscal year.

Dr. Florian Pesahl, Chief Executive  
Officer

**Disclaimer**

This Half-year Financial 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.



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**FINANCIAL CALENDAR 2023 / 2024**

**Quarterly Report dated September 30, 2023**

**2023 Annual Report**

**on November 3, 2023**

**March 2024**