

DATA MODUL

Half-Year report
as of June 30, 2024



Passion Displayed

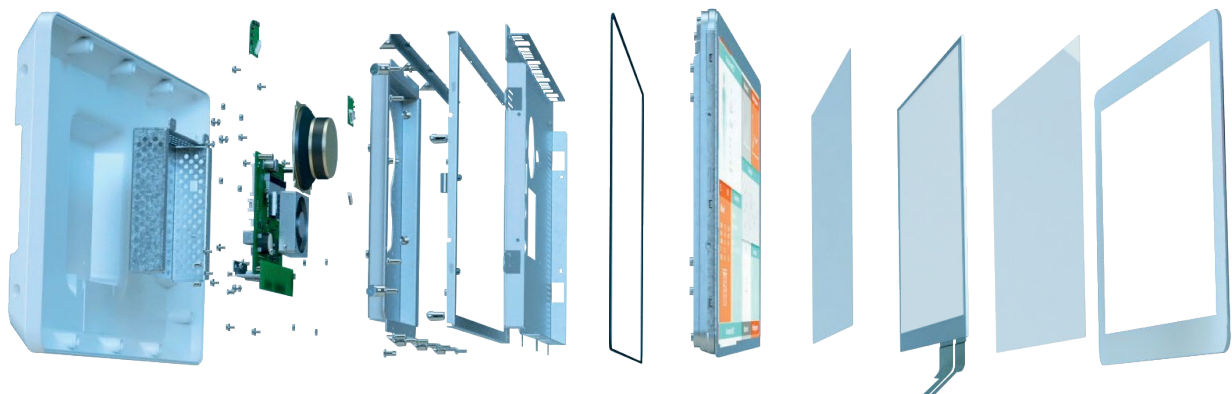
Dear Shareholders,

DATA MODUL fell short of the previous-year levels for revenue and earnings for the second quarter of 2024 due to continuing problems affecting the overall economy.

Order backlog fell 25.5% versus the second quarter of 2023 to 150.0 million euros (previous year: 201.3 million euros). Orders received in the second quarter fell 21.5% in volume to 49.8 million euros (previous year: 63.5 million euros). Compared to the first half of last year, orders received were down 32.5% in volume to 100.1 million euros (previous year: 148.2 million euros). Revenue declined 23.6% versus the second quarter of 2023 to 51.0 million euros (previous year: 66.7 million euros). Revenue for the half-year was down 17.7% year-over-year to 114.5 million euros (previous year: 139.1 million euros).

EBIT for the second quarter of 2024 was down 73.9% to 1.5 million euros due to the business decline (previous year: 5.7 million euros) for an EBIT margin of 2.9% (previous year: 8.6%). EBIT for the half-year was down 47.1% to 5.6 million euros (previous year: 10.6 million euros) for an EBIT margin of 4.9% (previous year: 7.6%). Net income for the second quarter of 2024 fell 76.4% year-over-year to 0.9 million euros (previous year: 3.8 million euros). Net income for the period ending June 30, 2024 was 48.8% lower year-over-year at 3.6 million euros (previous year: 7.1 million euros).

Continuing to systematically execute on the long-term DATA MODUL strategy program will ensure the Company's ability to operate profitably despite a clouded economic outlook. DATA MODUL has taken a number of cost reduction measures in response to the ongoing market uncertainty affecting customers.



Interim Group Management Report

1. General economic conditions

The global economy saw a slight recovery starting out the year, and indicators are pointing toward a continuing moderate, yet fragile, acceleration in global economic growth in 2024. The turbulent events of the last few weeks have led leading economic research institutes to reassess relevant political factors. A victory for Donald Trump is seen as increasingly likely, although the withdrawal of Joe Biden from the presidential race has improved the Democrats' chances, with Kamala Harris as likely candidate. Politics back home in Europe are likewise a source of concern given the rise of political extremism, despite the re-election of Ursula von der Leyen as President of the EU Commission by a substantial margin. A trade war to be initiated by the US by imposing punitive tariffs, as Trump has announced, would slow global growth while spurring inflation. The Fed and ECB are thus likely to stop cutting interest rates sooner than expected. The second half of the year is anticipated to be a mixed picture for the global economy, with moderate overall growth. For Germany, leading economic research institutes are forecasting substantial economic slowing. The business mood regarding the next few months ahead has again significantly worsened. Companies were less satisfied with the course of business and much more skeptical about the outlook for the months ahead, seeing the German economy in crisis. In July the ifo business climate index fell to a value of 87.0, down from 88.6 in June (seasonally adjusted). Even as the global economic environment remains challenging, DATA MODUL will be responding accordingly to these trends.

2. Key figures

	04/01/ – 06/30/2024	04/01/ – 06/30/2023	Change	01/01/ – 06/30/2024	01/01/ – 06/30/2023	Change
Total revenue	50,994	66,704	-23.6%	114,525	139,118	-17.7%
Displays	30,492	43,887	-30.5%	69,432	88,888	-21.9%
Systems	20,502	22,817	-10.1%	45,093	50,230	-10.2%
Orders received	49,793	63,467	-21.5%	100,071	148,175	-32.5%
EBIT ¹⁾	1,492	5,718	-73.9%	5,587	10,567	-47.1%
EBIT margin ²⁾	2.9%	8.6%	-66.0%	4.9%	7.6%	-35.5%
Net income for the period	897	3,796	-76.4%	3,636	7,108	-48.8%
Capital expenditure ³⁾	663	1,746	-62.1%	1,987	2,417	-17.8%
Employees ⁴⁾	523	513	1.9%	523	513	1.9%
Earnings per share (in euros)	0.25	1.08	-76.4%	1.03	2.02	-49.0%
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 50,994 thousand euros for the second quarter of 2024 (previous year: 66,704 thousand euros), down 23.6% year-over-year. In a half-year view, revenue declined 17.7% to 114,525 thousand euros from 139,118 thousand euros in the previous year. The Displays business segment recorded revenue of 30,492 thousand euros in the second quarter (previous year: 43,887 thousand euros), and the Systems division recorded revenue of 20,502 thousand euros (previous year: 22,817 thousand euros). The Group saw a 21.5% year-over-year fall in orders received for the quarter to 49,793 thousand euros (previous year: 63,467 thousand euros). The German market was subject to a particularly significant fall in revenue due to the economy, causing our export ratio to rise to 53.4% (previous year: 50.6%)

4. Earnings

The economic environment for DATA MODUL remains troubled amid a stagnating global economy and declining revenue across nearly all industries and regions. EBIT of 1,492 thousand euros was recorded for the second quarter of 2024 (previous year: 5,718 thousand euros). This resulted in EBIT margin narrowing to 2.9% (previous year: 8.6%). For the half-year, EBIT fell 47.1% to 5,587 thousand euros (previous year: 10,567 thousand euros), reflecting a narrowing of EBIT margin to 4.9% (previous year 7.6%). The Displays business segment recorded EBIT of 384 thousand euros (previous year: 5,128 thousand euros), while the Systems business segment recorded EBIT of 5,203 thousand euros (previous year: 5,439 thousand euros). Net income for the second quarter of 2024 was down 76.4% to 897 thousand euros (previous year: 3,796 thousand euros). The year-to-date net income recorded as of June 30, 2024 of 3,636 thousand euros was down 48.8% year-over-year (previous year: 7,108 thousand euros), for earnings per share of 1.03 euros (previous year: 2.02 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. Net expense from these embedded derivatives totaled 136 thousand euros (previous year: net profit of 66 thousand euros).

5. Balance sheet

The balance sheet total has decreased by 13,997 thousand euros since year-end to 205,218 thousand euros (December 31, 2023: 219,215 thousand euros). On the assets side of the balance sheet, the decrease was largely attributable to declining receivables and inventories. On the liabilities and equity side, the decrease in total assets was primarily due to lower trade payables and liabilities due to financial institutions, with an offsetting increase in equity from 2023 profit carried forward.

Cash flow from operating activities came to 14,498 thousand euros as of June 30, 2024 (previous year: -6,363 thousand euros). This was mainly due to decreased inventories and trade receivables. Investments in intangible assets and property, plant and equipment in the first half of 2024 resulted in cash flow from investing activities of -1,987 thousand euros (previous year: -2,417 thousand euros). Cash flow from financing activities for the first half of 2024 came to -10,289 thousand euros, reflecting redemptions of liabilities due to financial institutions (previous year: 3,348 thousand euros). At the reporting date the Group held 16,597 thousand euros in cash and cash equivalents (December 31, 2023: 14,324 thousand euros).

At the end of the second quarter of 2024 DATA MODUL had an equity ratio of 72.7% (December 31, 2023: 66.4%). The Group thus remains solid financially, having sufficient liquidity.

6. Capital expenditure

Capital expenditures in the first half of 2024 totaled 1,987 thousand euros (previous year: 2,417 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. Number of employees

The Group had 523 employees as of June 30, 2024 (previous year: 513).

8. Opportunities and risks

In fiscal 2024 DATA MODUL will remain focused on growth in its competency areas hardware, software and services. 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 2023.

9. Events after the reporting period

We are unaware of any significant events that have occurred after the reporting date June 30, 2024 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.

Economic indicators are pointing toward a continuing moderate yet fragile acceleration of global growth in 2024. Trump is considered the likely winner of the US presidential elections. Raising tariffs is at the top of Trump's priority list—a move that will increase inflationary pressure worldwide. In anticipation thereof, the major central banks will thus likely be ending their policy of quarterly easing by mid-2025. For 2025, year-over-year growth of 2.4% is projected for the global economy.

The US economy will likely remain strong for the time being, benefiting initially from Trump's planned tax cuts, but the announced punitive tariffs on Chinese (60%) and other imports (10%), triggering retaliatory measures, will put the brakes on growth over the course of 2025. A restrictive immigration policy will also have a negative impact for the US. Leading economic research institutes are revising their 2025 GDP forecast down to 1.5% from a previous 1.7% for the US.

Europe and China will be impacted most by restrictive US policies, but the re-elected President of the EU Commission will be taking decisive countermeasures. The EU however is more vulnerable to a trade war due to heavy reliance on foreign trade, thus losing more potential growth. If Trump wins the US presidential elections, rolling back US involvement in Ukraine will mark a turning point that will have significant implications for Europe. This would mean that Europe will have to become even more involved in Ukraine through joint-financed defense projects, increasing debt and deficits. Europe faces major challenges from the shift to the right within the EU Parliament, a development which could culminate in the election of Marine Le Pen as President of France in 2027. The outlook is bleaker than ever for the EU given the prospect of Trump returning as US President. Economists have slashed their previous growth forecast of 1.4% for the eurozone down to 1.0% for 2025.

Leading economic research institutes are forecasting weak economic growth for Germany, a country that could be among the biggest losers in 2025/2026, both politically and economically. The Federal Republic of Germany traditionally has a huge trade surplus with the US, which was a major source of conflict in Trump's first term of office. Protectionist US policy would negatively impact the German automotive industry in particular, as well as the already-troubled mechanical and industrial engineering sector. A US withdrawal from Ukraine would also mean that Germany as the financially most powerful EU member state would have to take on greater obligations. Economists have substantially lowered their economic growth forecast for 2025 from 1.3% to 0.8%.

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. Given the present orders situation and how business is going, the Executive Board expects the Company's key figures for the fiscal year 2024 to develop within the annual forecast.

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 30, 2024

ASSETS	06/30/2024	12/31/2023
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,422	2,540
Property, plant and equipment	22,778	22,892
Right-of-use assets	14,850	15,581
Capitalized costs to fulfill a contract	8,379	9,136
Deferred tax assets	814	627
Total non-current assets	51,662	53,195
Current assets		
Inventories	97,965	100,215
Trade accounts receivable including impairments (2024: 32; 2023: 109)	28,768	41,057
Contract assets	3,519	3,145
Tax receivables	1,242	643
Other current assets	4,668	4,149
Other current financial assets	797	2,487
Cash and cash equivalents	16,597	14,324
Total current assets	153,556	166,020
Total assets	205,218	219,215

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2024	12/31/2023
Shareholders' equity		
Share capital no-par-value bearer shares (shares issued and outstanding: 3,526,182 as of June 30, 2024 and December 31, 2023)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	113,311	109,957
Other reserves	1,177	981
Total shareholders' equity	149,186	145,636
Non-current liabilities		
Pensions and non-current personnel liabilities	1,129	1,119
Non-current provisions	230	252
Non-current contract liabilities	6,438	7,290
Non-current lease liabilities	14,238	14,802
Deferred tax liabilities	1,467	1,334
Total non-current liabilities	23,502	24,797
Current liabilities		
Trade accounts payable	14,689	20,956
Current contract liabilities	187	150
Current lease liabilities	2,955	3,082
Taxes payable	4,212	3,735
Current provisions	1,676	1,614
Liabilities due to financial institutions	4	8,032
Other current liabilities	7,523	7,906
Other current financial liabilities	1,284	3,307
Total current liabilities	32,530	48,782
Total liabilities	56,032	73,579
Total liabilities and shareholders' equity	205,218	219,215

All figures in KEUR

Consolidated Statement of Income

	04/01/ – 06/30/2024	04/01/ – 06/30/2023	01/01/ – 06/30/2024	01/01/ – 06/30/2023
Revenue	50,994	66,704	114,525	139,118
Cost of sales	(41,683)	(52,468)	(92,386)	(110,436)
Gross margin	9,311	14,236	22,139	28,682
Research and development expenses	(1,572)	(1,961)	(3,330)	(3,844)
Selling and general administrative expenses	(6,247)	(6,557)	(13,222)	(14,271)
Earnings before interest and taxes (EBIT)	1,492	5,718	5,587	10,567
Financial income	5	(111)	9	73
Financial expense	(281)	(465)	(853)	(856)
Earnings before taxes for the period	1,216	5,142	4,743	9,785
Income tax expense	(319)	(1,345)	(1,107)	(2,677)
Net income for the period	897	3,796	3,636	7,108
Earnings per share – basic	0.25	1.08	1.03	2.02
Earnings per share – diluted	0.25	1.08	1.03	2.02
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/ – 06/30/2024	01/01/ – 06/30/2023
Cash flows from operating activities		
Net income for the period	3,636	7,108
<i>Non-cash expenses and income</i>		
Income tax expense	1,107	2,629
Depreciation/amortization and impairments	3,569	2,950
Provisions for bad debts	321	115
Net interest	708	848
Net loss from embedded derivatives measured at fair value through profit or loss	136	(66)
Other non-cash expenses and income	(125)	(378)
<i>Changes:</i>		
Change in inventories	2,250	(5,538)
Change in trade receivables, costs to fulfill a contract and contract assets	12,352	(7,503)
Change in other assets	297	2,294
Change in trade payables	(6,236)	3,124
Other liabilities and contract liabilities	(2,210)	(6,470)
Income taxes paid	(1,307)	(5,475)
Cash flows from operating activities	14,498	(6,363)
Cash flows from investing activities		
Capital expenditures with capitalizable development cost	(184)	(53)
Capital expenditures on other intangible assets and property, plant and equipment	(1,803)	(2,364)
Cash flows from investing activities	(1,987)	(2,417)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(1,141)	(921)
Cash inflows from current financial liabilities (+)	2,002	10,500
Cash outflows for current financial liabilities (-)	(10,031)	(5,000)
Dividends paid	(423)	(423)
Interest received (+) / paid (-) (net)	(708)	(792)
Other financing activities	12	(16)
Cash flows from financing activities	(10,289)	3,348
Effects of exchange rate movements on cash & cash equivalents	51	14
Net change in cash and cash equivalents	2,273	(5,418)
Cash and cash equivalents at beginning of the fiscal year	14,324	15,669
Cash and cash equivalents at end of the quarter	16,597	10,251

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 01/01/2023	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
BALANCE AS OF 06/30/2023	3,526,182	10,579	24,119	102,798	982	138,478
BALANCE AS OF 01/01/2024	3,526,182	10,579	24,119	109,957	981	145,636
Net income for the period				3,636		3,636
Dividend				(423)		(423)
Other comprehensive income (loss)				141		141
Foreign currency translation					196	196
BALANCE AS OF 06/30/2024	3,526,182	10,579	24,119	113,311	1,177	149,186

All figures in KEUR, except number of shares.

Consolidated Statement of Comprehensive Income

	04/01/ – 06/30/2024	04/01/ – 06/30/2023	01/01/ – 06/30/2024	01/01/ – 06/30/2023
Net income for the period	897	3,796	3,636	7,108
<i>Other comprehensive income (loss) to be reclassified to profit/loss in subsequent reporting periods</i>				
Adjustments from currency translation of foreign subsidiary results	43	171	196	65
Adjustments from currency translation of a net investment in a foreign operation	31	6	141	(52)
Comprehensive income after tax	971	3,973	3,973	7,121

All figures in KEUR

Income tax

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

	01/01/ – 06/30/2024	01/01/ – 06/30/2023
Actual tax expense	(1,232)	(2,653)
Deferred income taxes	125	(24)
Income tax expense	(1,107)	(2,677)

All figures in KEUR

Dividend to shareholders

	06/30/2024	06/30/2023
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, 2023.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2023 were applied in preparing this abbreviated Consolidated Half-year Financial Report dated June 30, 2024. 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.

Segment results 01/01 – 06/30/2024	Displays	Systems	Consolidated
Revenue	69,432	45,093	114,525
Net income for the period	(1,200)	4,836	3,636

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

All figures in KEUR

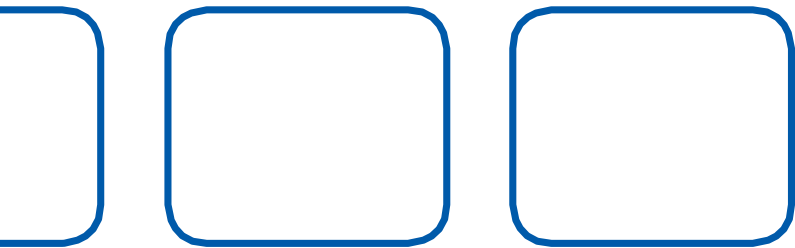
12. Management Representation

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.



DATA MODUL Aktiengesellschaft

Landsberger Str. 322

80687 Munich

Tel. +49 (0)89 560 17-0

Fax +49 (0)89 560 17-119

www.data-modul.com

FINANCIAL CALENDAR 2024 / 2025

Quarterly Report dated September 30, 2024

on November 8, 2024

2024 Annual Report

March 2025