

# DATA MODUL

Quarterly report  
as of march 31, 2024



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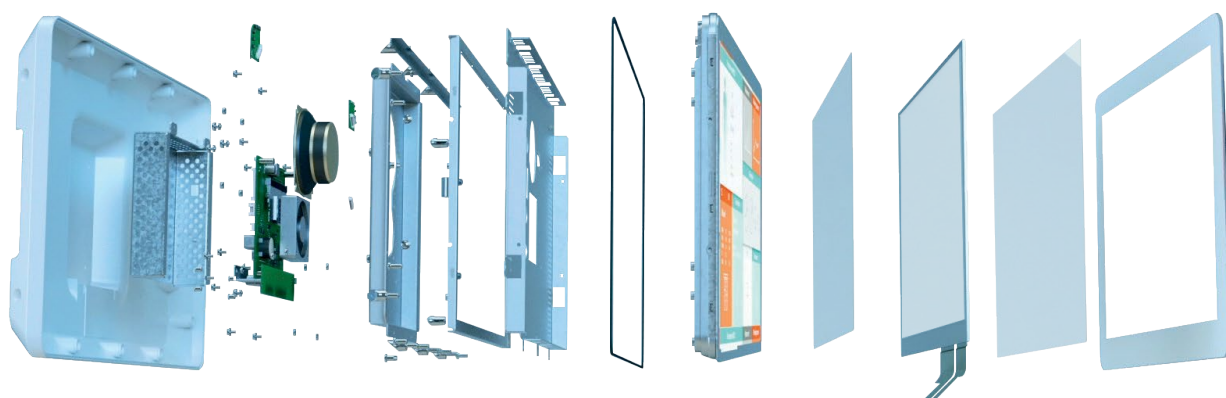
Dear Shareholders,

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

*New order volume was down 40.6% versus last year's first quarter to 50.3 million euros (previous year: 84.7 million euros). First-quarter revenue in 2024 declined 12.3% year-over-year to 63.5 million euros (previous year: 72.4 million euros).*

*EBIT for the first quarter of 2024 likewise declined 15.5% year-over-year to 4.1 million euros (previous year: 4.8 million euros) for an EBIT margin of 6.4% (previous year: 6.7%). Net income for the period ending March 31, 2024 was 17.3% lower year-over-year at 2.7 million euros (previous year: 3.3 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 economic environment remains a mixed picture going into spring, as manufacturing continues to slow, with few exceptions. High employment, rising wages, and falling inflation in many countries are however leading to real wage increases boosting consumer spending. The service sector is poised to benefit from this development in particular, which remains under pricing pressure in the present economic environment. A global disinflation trend is observed on both sides of the Atlantic, thus both the ECB and the Fed will start trimming interest rates this year. For a long time there were no clear signs of the German economy recovering, with poor sentiment among both businesses and consumer households in view of the uncertainties. The most reliable leading indicators however, including the Ifo Business Climate Index and the S&P Purchasing Managers Indices, are now showing a reversal of this trend. In April the Ifo business climate index rose to a value of 89.4, up from a seasonally adjusted 87.9 in March, signaling a positive mood shift going into the spring. This was mainly driven by an improving outlook among businesses. The German electronics industry believes it is on track for long-term growth despite persistent weak order flow, propelled by three megatrends: electrification, automation and digitalization. Even as the global economic environment remains challenging, DATA MODUL will be responding accordingly to these trends.

## 2. Key figures

in KEUR	01/01/ - 03/31/2024	01/01/ - 03/31/2023	Change
Total revenue	63,531	72,414	-12.3%
Displays	38,940	45,001	-13.5%
Systems	24,591	27,413	-10.3%
Orders received	50,278	84,708	-40.6%
EBIT <sup>1)</sup>	4,095	4,849	-15.5%
EBIT margin <sup>2)</sup>	6.4%	6.7%	-3.7%
Net income for the period	2,739	3,311	-17.3%
Capital expenditure <sup>3)</sup>	1,324	671	97.3%
Employees <sup>4)</sup>	535	504	6.2%
Earnings per share (in EUR)	0.78	0.94	-17.3%
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 63,531 thousand euros for the first three months of the year under review, down 12.3% year-over-year for the quarter (previous year: 72,414 thousand euros). The Displays business segment recorded revenue of 38,940 thousand euros for the first quarter (previous year: 45,001 thousand euros), while 24,591 thousand euros were recorded for the Systems business segment (previous year: 27,413 thousand euros). Orders received fell -40.6% for the Group versus last year's first quarter to 50,278 thousand euros (previous year: 84,708 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 54.5% (previous year: 51.6%).

### 4. Earnings

The economic environment for DATA MODUL remains troubled amid a stagnating global economy and declining revenue across nearly all industries and regions. The Company recorded EBIT of 4,095 thousand euros for the first three months of this year (previous year: 4,849 thousand euros), for an EBIT margin of 6.4% (previous year: 6.7%). The Displays business segment recorded EBIT of 1,344 thousand euros (previous year: 2,019 thousand euros), while the Systems business segment recorded EBIT of 2,751 thousand euros (previous year: 2,830 thousand euros). DATA MODUL thus recorded net income of 2,739 thousand euros for the period ended March 31, 2024 (previous year: 3,311 thousand euros), for earnings per share of 0.78 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 loss of 174 thousand euros was recorded from these embedded derivatives (previous year: net gain of 181 thousand euros).

### 5. Balance sheet

The balance sheet total has decreased by 6,213 thousand euros since year-end to 213,001 thousand euros (December 31, 2023: 219,215 thousand euros). On the assets side of the balance sheet, this decrease was largely attributable to the 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 increase in equity from profit carried forward for 2023.

Cash flow from operating activities came to 10,585 thousand euros as of March 31, 2024 (previous year: 1,398 thousand euros), resulting chiefly from lower trade receivables and inventories. Cash flow from investing activities came to -1,324 thousand euros for the first three months of 2024, reflecting investments in intangible assets and property, plant and equipment (previous year: -671 thousand euros). Cash flow from financing activities for the first quarter of 2024 came to -5,461 thousand euros, reflecting redemptions of liabilities due to financial institutions and cash outflows for leases (previous year: 2,670 thousand euros). At the reporting date the Group held 18,132 thousand euros in cash and cash equivalents (December 31, 2023: 14,324 thousand euros).

As of March 31, 2024 DATA MODUL had an equity ratio of 69.8% (December 31, 2023: 66.4%). The Group thus remains very solid financially, having sufficient liquidity.

### 6. Capital expenditure

Investments totaling 1,324 thousand euros were made in the first three months of the year in intangible assets and property, plant and equipment (previous year: 671 thousand euros). Much of this investment went to expand production and logistics capacity at the site in Lublin, Poland. In the current fiscal year, investment is planned to go primarily to IT and production site maintenance and repair. We will furthermore continue investing in research and development to ensure that we remain competitive as an enterprise.

## 7. Employees

The Group had 535 employees as of March 31, 2024 (previous year: 504).

## 8. Opportunities and risks

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 March 31, 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. Geopolitical uncertainty remains rife given the Russia-Ukraine war and war in Israel, with the upcoming US presidential elections adding another extraordinary factor.

The global economic environment in 2024 will be principally shaped by major central banks' reversing course, slight growth in Europe and risk of recession in the US. Inflation will gradually subside and economic growth will accelerate starting around the mid-year mark. Political factors will again pose the greatest risk for the economy in 2024. The power struggle between the US and China represents a threat to international order and world trade. The upcoming US presidential elections create further uncertainty. Economic opportunities lie in the potential recovery of consumer spending due to real wage increases and interest rate declines stimulating investment. If China should stage a comeback as international buyer for the electronics and mechanical engineering industries, production expansion could result. Year-over-year growth of 2.4% is projected for the global economy.

The heretofore robust US economy is being noticeably impacted by a loosening labor market and a recent weakness in consumer spending. This will likely cause significant economic slowing in the first half of the year, leading to an initial Fed rate cut in June with two more to follow before the end of the year. If wage pressure subsides on a sustained basis however, the Fed will have reason to go about lowering interest rates more slowly. Leading economic research institutes are reiterating their 2024 GDP forecast for the US of 1.8% growth.

While more and more indications of economic slowing in the US are being seen, for the euro zone there are increasing signs of a springtime growth season. The ECB said some time ago that it would cut interest rates, but this decision could be put off due to a surging wage growth and domestic inflation. Economists are sticking with their GDP forecast for the euro zone of 0.6% for 2024.

In Germany, real GDP fell 0.3% quarter-on-quarter at the end of 2023, coming after three quarters of stagnation. The long phase of lethargy may now soon be ending. The most reliable leading indicators, including the Ifo Business Climate Index and the PMI, are showing that companies are less pessimistic now,

anticipating manufacturing output to rise. A recovery will be likely in the second half of the year if inflation continues to fall beneath the level of nominal wage growth, consumer spending gains momentum and the ECB cuts rates. More favorable borrowing conditions will likely spur corporate investment. Housing prices should bottom out in 2024, with construction and consumer-related sectors recovering somewhat. Leading economic institutes are forecasting a slight 0.3% year-over-year increase in real gross domestic product for Germany.

Given the major degree of economic uncertainty, 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, even in a tougher economy. Given the present orders situation, the Executive Board does not rule out the possibility of the Company's key figures turning negative in fiscal year 2024.

### **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 2024

ASSETS	03/31/2024	12/31/2023
<b>Non-current assets</b>		
Goodwill	2,419	2,419
Intangible assets	2,519	2,540
Property, plant and equipment	23,179	22,892
Right-of-use assets	15,159	15,581
Capitalized costs to fulfill a contract	8,788	9,136
Deferred tax assets	937	627
<b>Total non-current assets</b>	<b>53,001</b>	<b>53,195</b>
<b>Current assets</b>		
Inventories	97,852	100,215
Trade accounts receivable including impairments (2024: 58; 2023: 109)	34,144	41,057
Contract assets	3,821	3,145
Tax receivables	1,166	643
Other current assets	4,426	4,149
Other current financial assets	459	2,487
Cash and cash equivalents	18,132	14,324
<b>Total current assets</b>	<b>160,000</b>	<b>166,020</b>
<b>Total assets</b>	<b>213,001</b>	<b>219,215</b>

All figures in KEUR

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>03/31/2024</b>	<b>12/31/2023</b>
<b>Shareholders' equity</b>		
Share capital no-par value bearer shares (issued and outstanding: 3,526,182 as of 03/31/2024 and 12/31/2023)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	112,805	109,957
Other reserves	1,134	981
<b>Total shareholders' equity</b>	<b>148,637</b>	<b>145,636</b>
<b>Non-current liabilities</b>		
Pensions and non-current personnel liabilities	1,129	1,119
Non-current provisions	245	252
Non-current contract liabilities	6,974	7,290
Non-current lease liabilities	14,448	14,802
Deferred tax liabilities	1,763	1,334
<b>Total non-current liabilities</b>	<b>24,559</b>	<b>24,797</b>
<b>Current liabilities</b>		
Trade accounts payable	17,840	20,956
Current contract liabilities	169	150
Current lease liabilities	3,015	3,082
Taxes payable	4,004	3,735
Current provisions	2,268	1,614
Liabilities due to financial institutions	3,528	8,032
Other current liabilities	7,624	7,906
Other current financial liabilities	1,357	3,307
<b>Total current liabilities</b>	<b>39,805</b>	<b>48,782</b>
<b>Total liabilities</b>	<b>64,364</b>	<b>73,579</b>
<b>Total liabilities and shareholders' equity</b>	<b>213,001</b>	<b>219,215</b>

All figures in KEUR



## CONSOLIDATED STATEMENT OF INCOME

	01/01/ – 03/31/2024	01/01/ – 03/31/2023
Revenue	63,531	72,414
Cost of sales	(50,703)	(57,968)
<b>Gross margin</b>	<b>12,828</b>	<b>14,446</b>
Research and development expenses	(1,758)	(1,883)
Selling and general administrative expenses	(6,975)	(7,714)
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,095</b>	<b>4,849</b>
Financial income	4	184
Financial expense	(572)	(390)
<b>Earnings before taxes for the period</b>	<b>3,527</b>	<b>4,643</b>
Income tax expense	(788)	(1,332)
<b>Net income for the period</b>	<b>2,739</b>	<b>3,311</b>
Earnings per share – basic	0.78	0.94
Earnings per share – diluted	0.78	0.94
Weighted average number of shares outstanding – basic	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 no. shares outstanding

## CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01/ – 03/31/2024	01/01/ – 03/31/2023
<b>Cash flows from operating activities</b>		
Net income for the period	2,739	3,311
<i>Non-cash expenses and income</i>		
Income tax expense	788	1,296
Depreciation/amortization and impairments	1,756	1,446
Provisions for bad debts	0	115
Net interest	394	387
Net loss (+)/gain (-) from embedded derivatives measured at fair value through profit or loss	174	(181)
Other non-cash expenses and income	(136)	(34)
Changes:		
Inventories	2,363	1,500
Trade receivables and contract assets	6,632	(3,674)
Other assets	1,043	3,034
Trade accounts payable	(3,099)	(3,199)
Other liabilities and contract liabilities	(1,283)	(4,693)
Income taxes paid	(786)	(705)
<b>Cash flows from operating activities</b>	<b>10,585</b>	<b>(1,398)</b>
<b>Cash flows from investing activities</b>		
Capital expenditures with capitalizable development cost	(96)	(35)
Capital expenditures on other intangible assets and property, plant and equipment	(1,228)	(636)
<b>Cash flows from investing activities</b>	<b>(1,324)</b>	<b>(671)</b>
<b>Cash flows from financing activities</b>		
Outflows for the redemption portion of lease liabilities	(565)	(449)
Cash inflows from current financial liabilities (+)	2,015	6,000
Cash outflows for current financial liabilities (-)	(6,518)	(2,500)
Interest received (+) / paid (-) (net)	(394)	(387)
Other financing activities	1	6
<b>Cash flows from financing activities</b>	<b>(5,461)</b>	<b>2,670</b>
Effects of exchange rate movements on cash & cash equivalents	8	(42)
<b>Net change in cash and cash equivalents</b>	<b>3,808</b>	<b>559</b>
Cash and cash equivalents at beginning of the fiscal year	14,324	15,669
<b>Cash and cash equivalents at end of the quarter</b>	<b>18,132</b>	<b>16,228</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 01/01/2023	3,526,182	10,579	24,119	96,165	917	131,780
Net income for the period				3,311		3,311
Other comprehensive income (loss)				(58)		(58)
Foreign currency translation					(106)	(106)
<b>BALANCE AS OF 03/31/2023</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>99,418</b>	<b>811</b>	<b>134,927</b>
BALANCE AS OF 01/01/2024	3,526,182	10,579	24,119	109,957	981	145,636
Net income for the period				2,739		2,739
Other comprehensive income (loss)				109		109
Foreign currency translation					153	153
<b>BALANCE AS OF 03/31/2024</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>112,805</b>	<b>1,134</b>	<b>148,637</b>

All figures in KEUR except number of shares

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/01/ – 03/31/2024	01/01/ – 03/31/2023
Net income for the period	2,739	3,311
<i>Other comprehensive income to be reclassified to profit/loss in subsequent reporting periods</i>		
Adjustments from currency translation of foreign subsidiary results	153	(106)
Adjustments from currency translation of a net investment in a foreign operation	109	(58)
Comprehensive income after tax	3,001	3,147

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, 2023.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2023 were applied in preparing this Consolidated Quarterly Report dated March 31, 2024. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The IFRS standards newly adopted in fiscal year 2024 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.



## FINANCIAL CALENDAR 2024

Annual Shareholders' Meeting	May 08, 2024
Half-year financial report dated June 30, 2024	August 09, 2024
Quarterly financial report dated September 30, 2024	November 08, 2024



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