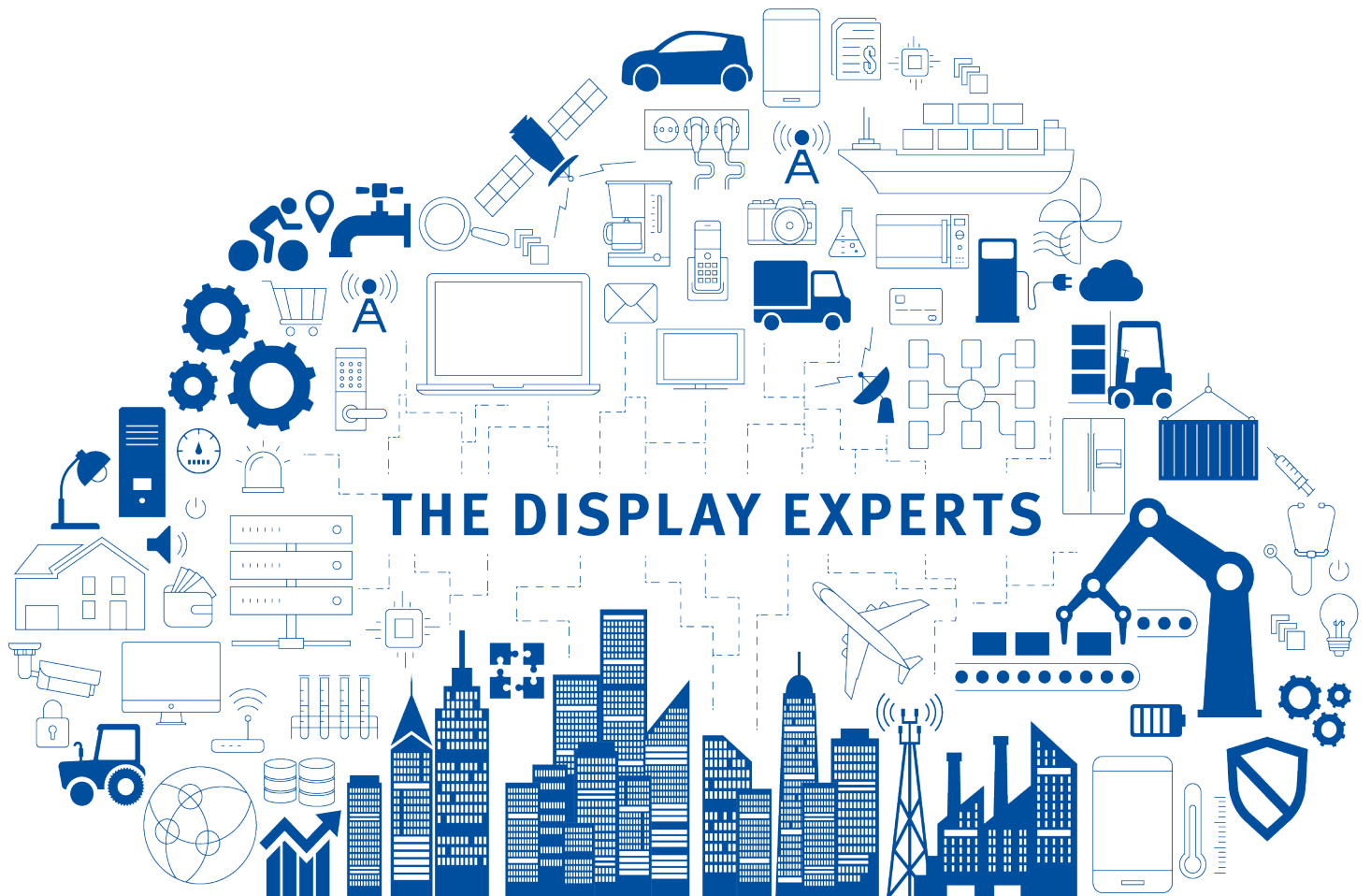


DATA MODUL

HALF-YEAR REPORT
AS OF JUNE 30, 2021



THE DISPLAY EXPERTS

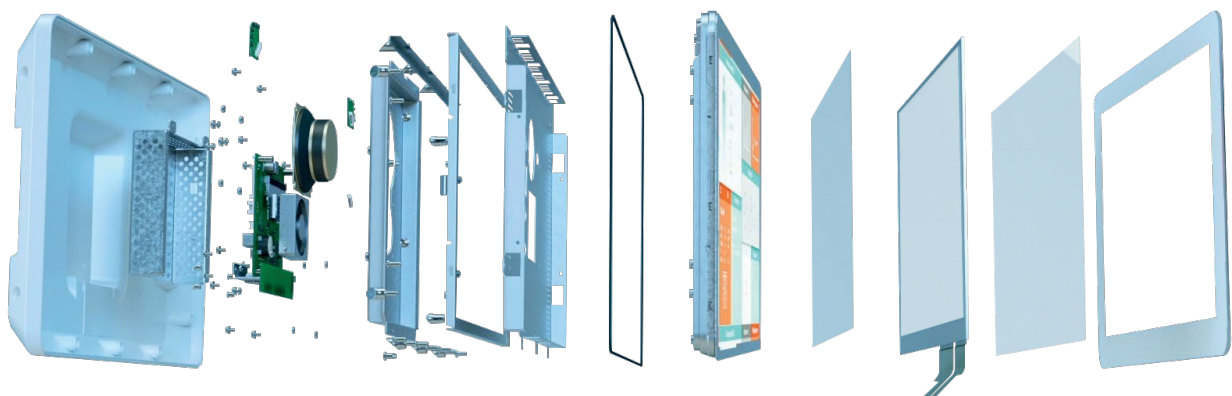
Dear Shareholders,

DATA MODUL recorded stable revenue and earnings in the second quarter versus last year's second quarter despite the global economic impact of the COVID-19 pandemic.

Orders received in the second quarter totaled 65.0 million euros, representing an increase of 47.0% versus the same quarter last year (previous year: 44.2 million euros). As a result, order backlog increased significantly by 14.8% to reach EUR 161.3 million euros (previous year: 140.5 million euros). Orders received rose 27.3% versus in the first half of 2020 to 128.0 million euros (previous year: 100.5 million euros). Second-quarter revenue was 0.3% higher year-over-year at 43.9 million euros (previous year: 43.8 million euros). The half-year revenue figure was also slightly higher year-over-year, up 3.0% to 91.9 million euros (previous year: 89.3 million euros).

EBIT for the second quarter of 2021 increased 3.3% to 1.8 million euros (previous year: 1.7 million euros) for an EBIT margin of 4.1% (previous year: 4.0%). For the half-year, EBIT remained stable at the previous year's level of 4.9 million euros (previous year: 4.9 million euros), for an EBIT margin of 5.3% (previous year 5.5%). Net income for the second quarter of 2021 surged 37.8% year-over-year to 1.7 million euros (previous year: 1.3 million euros). Net income for the period ending June 30, 2021 was 15.8% higher year-over-year at 3.7 million euros (previous year: 3.2 million euros).

DATA MODUL is impacted by the generally difficult market conditions created by the persistent coronavirus pandemic, with shortages of electronics components being caused by supply chain problems. Nonetheless, the Group intends to continue systematically executing on its long-term strategy program as a successful path to follow throughout good times and bad for the economy. The recordability of revenue from customer orders received will depend substantially on how the present shortages affecting procurement play out. In view of the favorable orders situation, the Executive Board anticipates that fiscal year 2021 will yield good results.



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

Economic activity recovered significantly in many countries in the second quarter of 2021 in parallel with the progressive easing of pandemic-related restrictions. As further progress is made with vaccination over the remaining course of the year, the economy should pick up further momentum. The spread of the delta variant of the virus has made clear however that the pandemic will remain a problem to deal with, impacting the already hard-hit developing countries most heavily. Full lockdowns are probably not expected to be necessary anymore however. Disrupted supply chains and related shortages affecting production remain a considerable problem, causing inflation to rise significantly. In response, the US Federal Reserve has moved to end the era of ultra-expansionary interest rate policy. In the euro zone, a direction change in monetary policy is only anticipated toward the end of the year, whose economy is lagging behind the US.

Leading economic research institutes have forecast a strong second quarter 2021 for Germany, and the general mood regarding the next few months has again improved substantially, especially for the service sector and retail. In June the ifo business climate index rose to a value of 101.8, up from a seasonally adjusted 99.2 in May. German corporations have thus become significantly more satisfied with their current business situation. Many companies in the manufacturing sector remain troubled however due to increasing supply problems affecting production. An overall mood of optimism across all sectors remains in place however as we move into the second half of the year.

DATA MODUL is still quite confident regarding the outlook for 2021, being positioned to benefit from the global digitalization trend accelerated by the pandemic.

2. Key figures

	04/01 - 06/30/2021	04/01 - 06/30/2020	Change	01/01 - 06/30/2021	01/01 - 06/30/2020	Change
Total revenue	43,912	43,777	0.3%	91,935	89,291	3.0%
Displays	27,613	28,023	-1.5%	56,171	58,886	-4.6%
Systems	16,299	15,775	3.3%	35,764	30,405	17.6%
Orders received	64,967	44,186	47.0%	127,965	100,484	27.3%
EBIT ¹⁾	1,791	1,734	3.3%	4,859	4,891	-0.7%
EBIT margin ²⁾	4.1%	4.0%	3.0%	5.3%	5.5%	-3.5%
Net income for the period	1,730	1,255	37.8%	3,662	3,163	15.8%
Capital expenditure ³⁾	1,057	736	43.6%	1,884	1,644	14.6%
Employees ⁴⁾	463	467	-0.9%	463	467	-0.9%
Earnings per share (in euros)	0.49	0.36	36.1%	1.04	0.90	15.6%
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:** EBIT relative 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 43,912 thousand euros for the second quarter of 2021 (previous year: 43,777 thousand euros), up by a slight 0.3% year-over-year. In a half-year view, revenue rose 3.0% to 91,935 thousand euros from 89,291 thousand euros in the previous year. The Displays business segment recorded revenue of 27,613 thousand euros in the second quarter (previous year: 28,023 thousand euros), and the Systems division recorded revenue of 16,299 thousand euros (previous year: 15,775 thousand euros). Orders received in the quarter surged 47.0% for the Group year over year to 64,967 thousand euros (previous year: 44,186 thousand euros). International revenue remained at a high level thanks to the Company's persistent internationalization efforts, though the export rate declined slightly to 49.0% (previous year 51.9%).

4. Earnings

Second-quarter revenue for 2021 was in line with one year ago for DATA MODUL, with little change across industries or regions. Orders are significantly rising on strong demand, but DATA MODUL is impacted by global supply chain problems causing shortages of electronic components. For the second quarter of 2021 DATA MODUL recorded EBIT of 1,791 thousand euros (previous year: 1,734 thousand euros), up 3.3% year-over-year. This resulted in EBIT margin widening to 4.1% (previous year: 4.0%). For the half-year, EBIT fell 0.7% to 4,859 thousand euros (previous year: 4,891 thousand euros), reflecting a narrowing of EBIT margin to 5.3% (previous year: 5.5%). The Displays business segment recorded EBIT of 1,716 thousand euros (previous year: 2,714 thousand euros), while the Systems business segment recorded EBIT of 3,143 thousand euros (previous year: 2,177 thousand euros). Net income for the second quarter of 2021 rose 37.8% to 1,730 thousand euros (previous year: 1,255 thousand euros). The year-to-date income recorded as of June 30, 2021 of 3,662 thousand euros was up 15.8% year-over-year (previous year: 3,163 thousand euros), for earnings per share of 1.04 euros (previous year: 0.90 euros). Earnings for the first six months of 2021 were positively affected by the movement of the EUR-USD currency pair. In contrast to the same quarter last year, 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 345 thousand euros was recorded from these embedded derivatives (gross carrying amounts: financial income 1.551 thousand euros, financial expense 1.206 thousand euros).

DATA MODUL drew on government assistance funding provided as part of the corona relief package in the second quarter. Refunds of social security expenditures borne by the employer in the second quarter in the amount to 25 thousand euros, paid by the Federal Employment Agency for lost work hours, constitute government grants recognizable in profit and loss under IAS 20. DATA MODUL has opted to report this item on a net basis (after deducting corresponding expenses).

5. Balance sheet

The balance sheet total increased by 12,508 thousand euros since December 31, 2020 to 165,461 thousand euros (previous year: 152,953 thousand euros). On the assets side, this change was mainly due to increased inventories and trade receivables. On the liabilities and equity side of the balance sheet, the rise in total assets resulted mainly from increased trade payables and liabilities due to financial institutions.

Cash flow from operating activities came to 216 thousand euros as of June 30, 2021 (previous year: -17,370 thousand euros). This was due primarily to higher trade payables, counterbalanced by higher inventories and trade receivables. Investments in intangible assets and property, plant and equipment in the first half of 2021 resulted in cash flow from investing activities of -1,884 thousand euros (previous year: -1,611 thousand euros). The increased liabilities due to financial institutions and cash outflows for the principal portion of lease liabilities in line with IFRS 16, in addition to the dividend distribution for fiscal year 2020, resulted in cash flow from financing activities of 364 thousand euros (previous year: 5,480 thousand euros). At the reporting date the Group held 25,414 thousand euros in cash and cash equivalents (December 31, 2020: 26,656 thousand euros).

At the end of Q2 2021 DATA MODUL had an equity ratio of 66.1% (December 31, 2020: 69.2%). The Group thus remains solid financially, having sufficient liquidity.

6. Capital expenditure

Capital expenditures in the first half of 2021 totaled 1,884 thousand euros (previous year: 1,644 thousand euros). A major part of this investment went to expanding production and logistics capacity at the sites in Weikersheim (Germany), Lublin (Poland) and Shanghai (China). 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), Lublin (Poland) and Shanghai (China), and will continue investing in research and development to ensure that we remain competitive as an enterprise.

7. Number of employees

The Group had 463 employees as of June 30, 2021 (previous year: 467).

8. Opportunities and risks

In fiscal 2021 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 there are no identifiable risks threatening the DATA MODUL Group as a going concern. No significant changes have occurred with respect to the statements and information provided in the Opportunities and Risks section of the 2020 Annual Report.

9. Events after the reporting period

We are unaware of any significant events that have occurred after the reporting date June 30, 2021 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 the 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 unpredictability of how the pandemic may play out represents a particular uncertainty factor that renders it unknowable at this time how the economy may be further impacted and impossible to make reliable corporate earnings estimates.

The spread of the coronavirus in early 2020 threw the global economy into the deepest recession seen since the Second World War. The measures taken by virtually all countries around the world to contain the pandemic have caused massive economic impact. This abrupt fall into recession for the global economy was followed in the second half of 2020 by a similarly powerful recovery. With a third pandemic wave affecting countries to one degree or another in early 2021, depending on their vaccination progress, the second quarter in turn brought varying degrees of recovery as economic activity bounced back noticeably. As more progress is made with vaccination and infection numbers continue to fall over the remaining course of the year, the economy should pick up further momentum. The spread of the delta variant of the virus has made clear however that the pandemic will remain a problem to deal with, impacting the already hard-hit developing countries most heavily. Several industries are struggling with production capacity currently in the face of robust demand combined with supply chain problems.

The US economy likely hit a peak in the second quarter, having strengthened thanks to an effective vaccination strategy adopted last year that has allowed broad loosening of restrictions. The US economy is of course also benefiting from huge government stimulus packages, and rapidly rising demand combined with persistent supply problems have pushed inflation up significantly, leading the Fed to curb its bond purchasing. The US Federal Reserve is thus expected to move away from the ultra-expansionary monetary policy it has pursued.

The European economy is set to recover significantly in the second quarter of 2021 as further significant vaccination progress has been made and restrictions have been eased accordingly. Greece and Italy are reporting robust growth figures, and leading indicators are pointing to a rebound for the service sector and a booming summer half of the year.

Leading economic research institutes have forecast a strong second quarter for Germany in their spring reports, and the general mood regarding the outlook for the next few months has noticeably improved. In June the ifo business climate index rose to a value of 101.8, up from a seasonally adjusted 99.2 in May. German corporations have thus become significantly more satisfied with their current business situation. Many companies in the manufacturing sector remain troubled however due to increasing supply problems affecting production.

DATA MODUL is impacted by the generally difficult market conditions created by the persistent coronavirus pandemic, with shortages of electronics components being caused by supply chain problems. but the Group intends to continue systematically executing on its long-term strategy program as a successful path to follow throughout good times and bad for the economy. In view of the strong orders situation, the Executive Board anticipates that fiscal year 2021 will yield good 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 2021

ASSETS	06/30/2021	12/31/2020
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	3,080	3,066
Property, plant and equipment	18,522	18,559
Right-of-use assets	11,589	12,330
Capitalized costs to fulfil a contract	7,272	5,720
Deferred tax assets	706	701
Total non-current assets	43,588	42,795
Current assets		
Inventories	56,201	52,029
Trade accounts receivable including impairments (2021: 444; 2020: 605)	29,580	24,181
Contract assets	4,471	2,904
Tax receivables	1,166	705
Other current assets	3,684	1,019
Other current financial assets	1,357	2,664
Cash and cash equivalents	25,414	26,656
Total current assets	121,873	110,158
Total assets	165,461	152,953

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2021	12/31/2020
Shareholders' equity		
Capital stock no-par-value bearer shares (issued and outstanding: 3,526,182 as of June 30, 2021 and December 31, 2020)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	74,292	71,054
Other reserves	386	108
Total shareholders' equity	109,376	105,860
Non-current liabilities		
Pensions and non-current personnel liabilities	1,587	1,587
Non-current provisions	238	237
Non-current contract liabilities	5,450	4,381
Non-current lease liabilities	11,713	12,468
Deferred tax liabilities	1,020	803
Total non-current liabilities	20,008	19,476
Current liabilities		
Trade accounts payable	19,414	11,787
Current contract liabilities	263	374
Current lease liabilities	2,303	2,283
Taxes payable	1,238	1,291
Current provisions	1,232	1,130
Liabilities due to financial institutions	2,000	0
Other current liabilities	7,439	6,819
Other current financial liabilities	2,188	3,933
Total current liabilities	36,077	27,617
Total liabilities	56,085	47,094
Total liabilities and shareholders' equity	165,461	152,953

All figures in KEUR

CONSOLIDATED STATEMENT OF INCOME

	01/04 – 06/30/2021	01/04 – 06/30/2020	01/01 – 06/30/2021	01/01 – 06/30/2020
Revenue	43,912	43,777	91,935	89,291
Cost of sales	(35,072)	(35,297)	(73,290)	(70,281)
Gross margin	8,840	8,480	18,645	19,010
Research and development expenses	(1,403)	(1,092)	(2,657)	(2,388)
Selling and general administrative expenses	(5,646)	(5,654)	(11,129)	(11,731)
Earnings before interest and taxes (EBIT)	1,791	1,734	4,859	4,891
Financial income	760	11	1,551	21
Financial expenses	(396)	(152)	(1,458)	(298)
Earnings before taxes for the period	2,155	1,593	4,952	4,614
Income tax expense	(425)	(338)	(1,290)	(1,451)
Net income for the period	1,730	1,255	3,662	3,163
Earnings per share – basic	0.49	0.36	1.04	0.90
Earnings per share – diluted	0.49	0.36	1.04	0.90
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 shares outstanding.

CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01 – 06/30/2021	01/01 – 06/30/2020
Cash flows from operating activities		
Net income for the period	3,662	3,163
<i>Non-cash expenses and income</i>		
Income tax expense	1,290	1,459
Depreciation, amortization and impairments	2,963	2,920
Provisions for bad debts	0	25
Gain from disposals of fixed assets	0	0
Net interest	252	277
Net loss from embedded derivatives measured at fair value through profit or loss	(345)	0
Other non-cash expenses and income	(175)	287
<i>Change in:</i>		
Inventories	(4,172)	(29,483)
Trade receivables and contract assets	(6,841)	2,066
Other assets	(1,921)	(3,895)
Trade accounts payable	7,624	9,433
Other liabilities and contract liabilities	(546)	353
Income taxes paid	(1,575)	(3,975)
Cash flows from operating activities	216	(17,370)
Cash flows from investing activities		
Proceeds from disposals of fixed assets	0	34
Capital expenditures with capitalizable development cost	(481)	(205)
Capital expenditures on other intangible assets and property, plant and equipment	(1,403)	(1,440)
Cash flows from investing activities	(1,884)	(1,611)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(963)	(742)
Cash inflows from current financial liabilities (+)	2,000	8,923
Cash outflows from current financial liabilities (-)	0	(2,000)
Dividend paid	(423)	(423)
Interest received (+) / paid (-) (net)	(253)	(277)
Other financing activities	3	(1)
Cash flows from financing activities	364	5,480
Effects of exchange rate movements on cash & cash equivalents	62	13
Net change in cash and cash equivalents	(1,242)	(13,514)
Cash and cash equivalents at beginning of the fiscal year	26,656	26,421
Cash and cash equivalents at end of the quarter	25,414	12,907

All figures in KEUR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Capital stock No. of shares	Capital stock Amount	Capital reserves	Retained earnings	Other reserves	Total
BALANCE AS OF 01/01/2020	3,526,182	10,579	24,119	63,994	907	99,599
Net income for the period				3,163		3,163
Dividend				(423)		(423)
Foreign currency translation					(294)	(294)
BALANCE AS OF 06/30/2020	3,526,182	10,579	24,119	66,734	613	102,045
BALANCE AS OF 01/01/2021	3,526,182	10,579	24,119	71,054	108	105,860
Net income for the period				3,662		3,662
Dividend				(423)		(423)
Foreign currency translation					279	279
BALANCE AS OF 06/30/2021	3,526,182	10,579	24,119	74,292	386	109,376

All figures in KEUR, except number of shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/04 – 06/30/2021	01/04 – 06/30/2020	01/01 – 06/30/2021	01/01 – 06/30/2020
Net income for the period	1,730	1,255	3,662	3,163
<i>Other comprehensive income (loss) to be reclassified and reported in profit or loss in subsequent reporting periods</i>				
<i>Adjustments from currency translation of foreign subsidiary results</i>	7	(209)	279	(294)
Comprehensive income after tax	1,736	1,046	3,940	2,869

All figures in KEUR

INCOME TAX

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

	01/01 – 06/30/2021	01/01 – 06/30/2020
Actual tax expense	(1,074)	(1,529)
Deferred income taxes	(216)	78
Income tax expense	(1,290)	(1,451)

All figures in KEUR

DIVIDEND TO SHAREHOLDERS

	06/30/2021	06/30/2020
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, 2020.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2020 were applied in preparing this abbreviated Consolidated Half-year Financial Report dated June 30, 2021. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The new IFRS rules applicable in fiscal year 2021 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 – 06/30/2021	Displays	Systems	Group total
Revenue	56,171	35,764	91,935
Net income for the period	1,270	2,392	3,662

Segment results 01/01 – 06/30/2020	Displays	Systems	Group total
Revenue	58,886	30,405	89,291
Net income for the period	1,341	1,822	3,163

All figures in KEUR

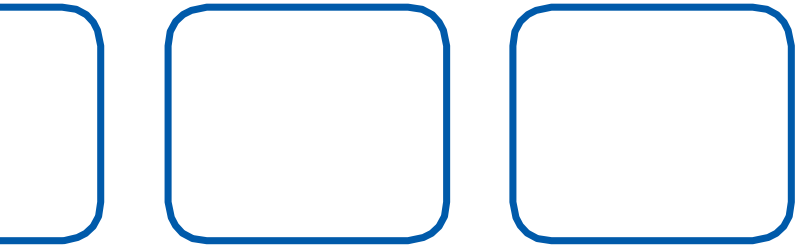
Management Representation

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 2021

Quarterly Report dated September 30, 2021

November 5, 2021

2022 Annual Report

March 2022