

DATA MODUL

HALF-YEAR REPORT
AS OF JUNE 30, 2022



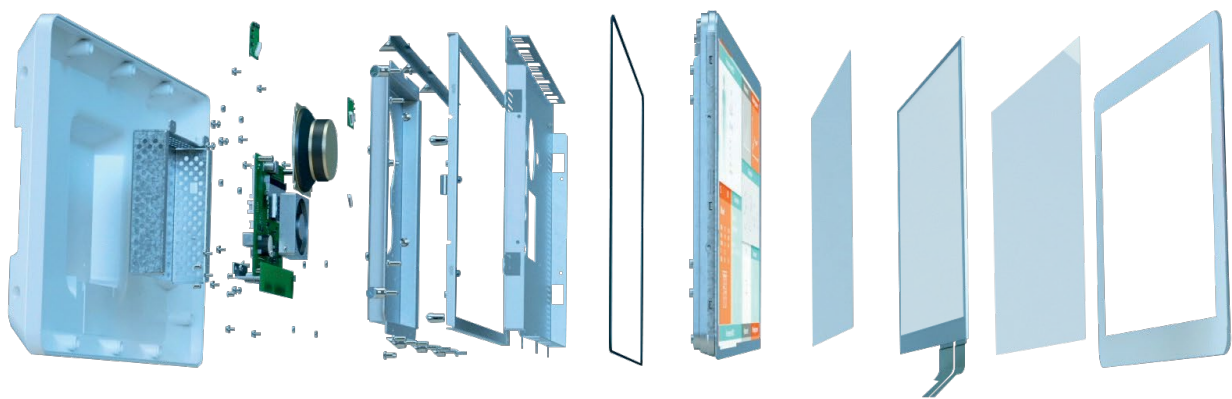
Dear Shareholders,

Business remained strong for DATA MODUL following a good start into the year, as the company closed out the second quarter with revenue and earnings substantially higher year-over-year.

Orders received totaled 82.3 million euros, up 26.7% year-on-year for the second quarter (previous year: 65.0 million euros). Order backlog rose accordingly, by 21.2% to 195.5 million euros (previous year 161.3 million euros). Orders received rose 17.9% versus in the first half of 2021 to 150.9 million euros (previous year: 128.0 million euros). Second-quarter revenue was 48.5% higher year-over-year at 65.2 million euros (previous year: 43.9 million euros). The half-year revenue figure came in higher year-over-year, up 39.8% to 128.5 million euros (previous year: 91.9 million euros).

EBIT for the second quarter of 2022 rose 233.3% to 6.0 million euros on strong business and favorable currency effects (previous year: 1.8 million euros) for an EBIT margin of 9.2% (previous year: 4.1%). For the half-year EBIT more than doubled to 10.2 million euros (previous year: 4.9 million euros) for an EBIT margin of 7.9% (previous year 5.3%). Net income for the second quarter of 2022 surged 106.0% year-over-year to 3.6 million euros (previous year: 1.7 million euros). Net income for the period ending June 30, 2022 was 87.8% higher year-over-year at 6.9 million euros (previous year: 3.7 million euros).

These excellent 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 that fiscal year 2022 will yield good results, thus the adjustment in earnings guidance for the year per the ad hoc press release of July 19.



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

The economic recovery underway early in the year was abruptly halted by the Russia-Ukraine war. High inflation and persistent supply chain problems along with the war impact put a drag on the economy in the first half of 2022. The Fed and ECB have sharply raised interest rates in response to historically high inflation and are likely to tighten monetary policy again in the third quarter, further troubling the already ailing economy. Once again the dilemma faced by the ECB in deciding on a unified monetary policy for a currency zone of heterogeneous economies comes clearly to the fore. While the ECB would have to raise interest rates, there are fears that tighter monetary policy will widen yield spreads in Italy, Portugal, Spain and Greece. Russia's war of aggression in Ukraine dimmed prospects for the global economy moving on into the year, creating major political uncertainty. Significant slowing of economic growth is expectable in Europe in particular. The European economy is set to face the greatest impact from a now-likely supply stop of Russian gas.

Leading economic research institutes are forecasting modest economic growth for Germany, increased materials supply problems, continuing price pressure, the high level of uncertainty currently felt worldwide and impact from lockdowns in China are anticipated to cause noticeable impact. The business mood concerning the next few months has again significantly worsened. In July the ifo business climate index fell to a value of 88.6, down from 92.2 in June (seasonally adjusted). German companies are expecting business to significantly decline over the months ahead, and the country is on the verge of recession.

DATA MODUL is nonetheless confident of its full-year results for 2022, being prepared to tackle the big challenges looming in a troubled global economic environment.

2. Key figures

	04/01 - 06/30/2022	04/01 - 06/30/2021	Change	01/01 - 06/30/2022	01/01 - 06/30/2021	Change
Total revenue	65,215	43,912	48.5%	128,481	91,935	39.8%
Displays	41,327	27,613	49.7%	80,652	56,171	43.6%
Systems	23,889	16,299	46.6%	47,829	35,764	33.7%
Orders received	82,291	64,967	26.7%	150,878	127,965	17.9%
EBIT ¹⁾	5,969	1,791	233.3%	10,162	4,859	109.1%
EBIT margin ²⁾	9.2%	4.1%	124.4%	7.9%	5.3%	49.6%
Net income for the period	3,564	1,730	106.0%	6,876	3,662	87.8%
Capital expenditure ³⁾	894	1,057	-15.4%	1,471	1,884	-21.9%
Employees ⁴⁾	484	463	4.5%	484	463	4.5%
Earnings per share (in euros)	1.01	0.49	106.0%	1.95	1.04	87.8%
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 65,215 thousand euros for the second quarter of 2022 (previous year: 43,912 thousand euros), up 48.5% year-over-year. In a half-year view, revenue rose 39.8% to 128,481 thousand euros from 91,935 thousand euros in the previous year. The Displays business segment recorded revenue of 41,327 thousand euros in the second quarter (previous year: 27,613 thousand euros), and the Systems division recorded revenue of 23,889 thousand euros (previous year: 16,299 thousand euros). Orders received rose 26.7% for the Group versus the same quarter last year to 82,291 thousand euros (previous year: 64,967 thousand euros). The strategic internationalization efforts being driven forward continue to bear fruit, as the export rate widened to 53.6% (previous year: 49.0%).

4. Earnings

Second-quarter revenue for 2022 was substantially higher year-over-year for DATA MODUL across nearly all industries and regions. DATA MODUL continued to enjoy strong earnings despite a significantly worsening economic climate and continuing major uncertainty worldwide. EBIT of 5,969 thousand euros was recorded for the second quarter of 2022 (previous year: 1,791 thousand euros). This resulted in EBIT margin widening to 9.2% (previous year: 4.1%). For the half-year, EBIT surged 109.1% to 10,162 thousand euros (previous year: 4,859 thousand euros), widening EBIT margin to 7.9% (previous year 5.3%). The Displays business segment recorded EBIT of 4,135 thousand euros for the period (previous year: 1,716 thousand euros), while the Systems business segment recorded EBIT of 6,027 thousand euros (previous year: 3,143 thousand euros). Net income for the second quarter of 2022 rose 106.0% to 3,564 thousand euros (previous year: 1,730 thousand euros). The year-to-date income recorded as of June 30, 2022 of 6,876 thousand euros was up 87.8% year-over-year (previous year: 3,662 thousand euros), for earnings per share of 1.95 euros (previous year: 1.04 euros). Earnings for the first six months of 2022 were positively 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 864 thousand euros (previous year: net profit of 345 thousand euros).

5. Balance sheet

The balance sheet total has increased by 28,935 thousand euros since year-end to 217,775 thousand euros (December 31, 2021: 188,840 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 as well as the net income recorded for the year.

Cash flow from operating activities came to -19,528 thousand euros as of June 30, 2022 (previous year: 216 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 2022 resulted in cash flow from investing activities of -1,472 thousand euros (previous year: -1,884 thousand euros). The increased liabilities due to financial institutions and cash outflows for leases, in addition to the dividend distribution for fiscal year 2021, resulted in cash flow from financing activities of 15,252 thousand euros (previous year: 364 thousand euros). At the reporting date the Group held 14,391 thousand euros in cash and cash equivalents (December 31, 2021: 20,224 thousand euros). At the end of the second quarter of 2022 DATA MODUL had an equity ratio of 55.5% (December 31, 2021: 60.3%). The Group thus remains solid financially, having sufficient liquidity.

6. Capital expenditure

Capital expenditures in the first half of 2022 totaled 1,471 thousand euros (previous year: 1,884 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 484 employees as of June 30, 2022 (previous year: 463).

8. Opportunities and risks

In fiscal year 2022 DATA MODUL is staying focused on growth in its core Displays and Systems business segments. 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 2021.

9. Events after the reporting period

We are unaware of any significant events that have occurred after the reporting date June 30, 2022 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 had been in robust shape before the Russia-Ukraine war broke out. Infection numbers remained high but the pandemic was having less and less economic impact. The Russian attack on Ukraine and resulting sanctions imposed exacerbated existing international supply chain disruptions, ratcheting up already considerable inflation pressure. Europe is particularly exposed to effects from its heavy dependency on imported Russian energy. The Fed and ECB have sharply raised interest rates in response to historically high inflation, and are likely to tighten their monetary policy again in the third quarter further troubling the already ailing economy. While economic weakness is forecast for Europe and the US, in China there are signs of stabilization. The global economy thus remains subject to a high level of uncertainty, with the recovery following the lifting of Covid restrictions being delayed.

Rising interest rates, purchasing power erosion caused by inflation, a weak consumer climate and slowing industrial output are weighing on the US economy, heightening the recession risk within the next few years. There will be little change to the challenging inflationary environment for the time being, thus the Fed is likely to raise interest rates again in the second half of the year. Leading economic research institutes are revising their 2022 GDP forecast down to 2.4% from a previous 3.3% for the US.

Europe is feeling the most impact from refugee flows caused by the Russian war of aggression on Ukraine, and from supply chain disruptions due to production breakdowns. In addition, major dependency on Russian energy imports poses a significant risk for several member states. To counter surging inflation, the ECB reversed course on policy, raising key interest rates. The rate hike was unexpectedly sharp, going from zero to 0.5%, and there is no longer a negative interest rate for parked money. This represents a historic turnaround for the ECB, coming after an era of ultra-loose monetary policy. Further interest rate hikes are expectable in the second half of the year. Economists have somewhat adjusted their previous growth forecast of 1.8% for the eurozone to 2.2% for 2022.

Leading economic research institutes are forecasting modest economic growth for Germany. Increased materials

supply problems, continuing price pressure, the high level of uncertainty currently felt worldwide and impact from lockdowns in China are anticipated to cause noticeable impact. The business mood concerning the next few months has again significantly worsened. In July the ifo business climate index fell to a value of 88.6, down from 92.2 in June (seasonally adjusted). Economists are forecasting economic growth of 1.3% for 2022.

Given the major global uncertainties currently, DATA MODUL too faces a challenging market environment. Nonetheless, the Group intends to continue systematically executing on its long-term strategy program as a successful path to follow throughout good and bad times for the economy. In view of the strong orders situation, the Executive Board anticipates that fiscal year 2022 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 2022

ASSETS	06/30/2022	12/31/2021
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	3,002	3,042
Property, plant and equipment	17,294	17,689
Right-of-use assets	10,311	10,864
Capitalized costs to fulfill a contract	10,368	8,516
Deferred tax assets	727	710
Total non-current assets	44,121	43,240
Current assets		
Inventories	106,079	86,702
Trade accounts receivable including impairments (2022: 501; 2021: 422)	39,163	29,202
Contract assets	4,597	3,239
Tax receivables	484	574
Other current assets	5,553	3,742
Other current financial assets	3,387	1,917
Cash and cash equivalents	14,391	20,224
Total current assets	173,654	145,600
Total assets	217,775	188,840

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2022	12/31/2021
Shareholders' equity		
Capital stock no-par-value bearer shares (shares issued and outstanding: 3,526,182 as of June 30, 2022 and December 31, 2021)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	84,965	78,513
Other reserves	1,136	722
Total shareholders' equity	120,799	113,933
Non-current liabilities		
Pensions and non-current personnel liabilities	1,482	1,482
Non-current provisions	199	171
Non-current contract liabilities	7,724	6,884
Non-current lease liabilities	10,511	11,045
Deferred tax liabilities	1,492	889
Total non-current liabilities	21,408	20,471
Current liabilities		
Trade accounts payable	17,357	20,953
Current contract liabilities	240	232
Current lease liabilities	2,384	2,335
Taxes payable	2,179	1,628
Current provisions	2,343	1,054
Liabilities due to financial institutions	32,016	15,000
Other current liabilities	14,260	9,133
Other current financial liabilities	4,789	4,101
Total current liabilities	75,568	54,436
Total liabilities	96,976	74,907
Total liabilities and shareholders' equity	217,775	188,840

All figures in KEUR

CONSOLIDATED STATEMENT OF INCOME

	04/01/ – 06/30/2022	04/01/ – 06/30/2021	01/01 – 06/30/2022	01/01 – 06/30/2021
Revenue	65,215	43,912	128,481	91,935
Cost of sales	(50,041)	(35,072)	(100,005)	(73,290)
Gross margin	15,174	8,840	28,476	18,645
Research and development expenses	(1,917)	(1,403)	(3,491)	(2,657)
Selling and general administrative expenses	(7,288)	(5,646)	(14,823)	(11,129)
Earnings before interest and taxes (EBIT)	5,969	1,791	10,162	4,859
Financial income	(4)	760	867	1,551
Financial expense	(205)	(396)	(359)	(1,458)
Earnings before taxes for the period	5,760	2,155	10,670	4,952
Income tax expense	(2,196)	(425)	(3,794)	(1,290)
Net income for the period	3,564	1,730	6,876	3,662
Earnings per share – basic	1.01	0.49	1.95	1.04
Earnings per share – diluted	1.01	0.49	1.95	1.04
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 – 06/30/2022	01/01 – 06/30/2021
Cash flows from operating activities		
Net income for the period	6,876	3,662
<i>Non-cash expenses and income</i>		
Income tax expense	3,794	1,290
Depreciation/amortization and impairments	2,893	2,963
Provisions for bad debts	47	0
Gain from disposals of fixed assets	0	0
Net interest	356	252
Net loss from embedded derivatives measured at fair value through profit or loss	(864)	(345)
Other non-cash expenses and income	99	(175)
<i>Change in:</i>		
Inventories	(19,377)	(4,172)
Trade receivables and contract assets	(13,218)	(6,841)
Other assets	(2,278)	(1,921)
Trade accounts payable	(3,590)	7,624
Other liabilities and contract liabilities	8,312	(546)
Income taxes paid	(2,578)	(1,575)
Cash flows from operating activities	(19,528)	216
Cash flows from investing activities		
Proceeds from disposals of fixed assets	0	0
Capital expenditures with capitalizable development cost	(126)	(481)
Capital expenditures on other intangible assets and property, plant and equipment	(1,346)	(1,403)
Cash flows from investing activities	(1,472)	(1,884)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(1,031)	(963)
Cash inflows from current financial liabilities (+)	17,000	2,000
Cash outflows for current financial liabilities (-)	0	0
Dividend paid	(423)	(423)
Interest received (+) / paid (-) (net)	(341)	(253)
Other financing activities	47	3
Cash flows from financing activities	15,252	364
Effects of exchange rate movements on cash & cash equivalents	(85)	62
Net change in cash and cash equivalents	(5,833)	(1,242)
Cash and cash equivalents at beginning of the fiscal year	20,224	26,656
Cash and cash equivalents at end of the quarter	14,391	25,414

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 01/01/2021	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
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
BALANCE AS OF 06/30/2022	3,526,182	10,579	24,119	84,965	1,136	120,799

All figures in KEUR, except number of shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	04/01/ – 06/30/2022	04/01/ – 06/30/2021	01/01 – 06/30/2022	01/01 – 06/30/2021
Net income for the period	3,564	1,730	6,876	3,662
<i>Other comprehensive income (loss) to be reclassified to profit/loss in subsequent reporting periods</i>				
<i>Adjustments</i> from currency translation of foreign subsidiary results	324	7	414	279
Comprehensive income after tax	3,888	1,736	7,290	3,940

All figures in KEUR

INCOME TAX

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

	01/01 – 06/30/2022	01/01 – 06/30/2021
Actual tax expense	(3,209)	(1,074)
Deferred income taxes	(585)	(216)
Income tax expense	(3,794)	(1,290)

All figures in KEUR

DIVIDEND TO SHAREHOLDERS

	06/30/2022	06/30/2021
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, 2021.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2021 were applied in preparing this abbreviated Consolidated Half-year Financial Report dated June 30, 2022. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The new IFRS rules applicable in fiscal year 2022 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 – 06/30/2022	Displays	Systems	Group total
Revenue	80,652	47,829	128,481
Net income for the period	2,433	4,443	6,876

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

All figures in KEUR

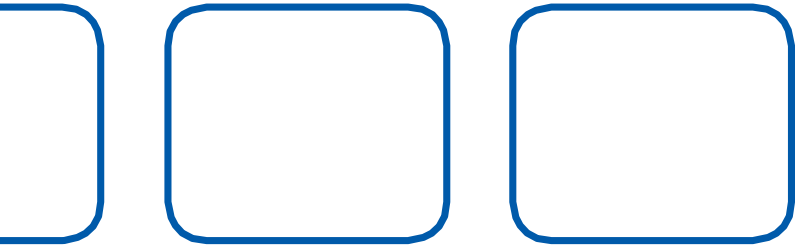
Management Representation

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 2022 / 2023

Quarterly Report dated September 30, 2022

2022 Annual Report

November 5, 2022

March 2023