

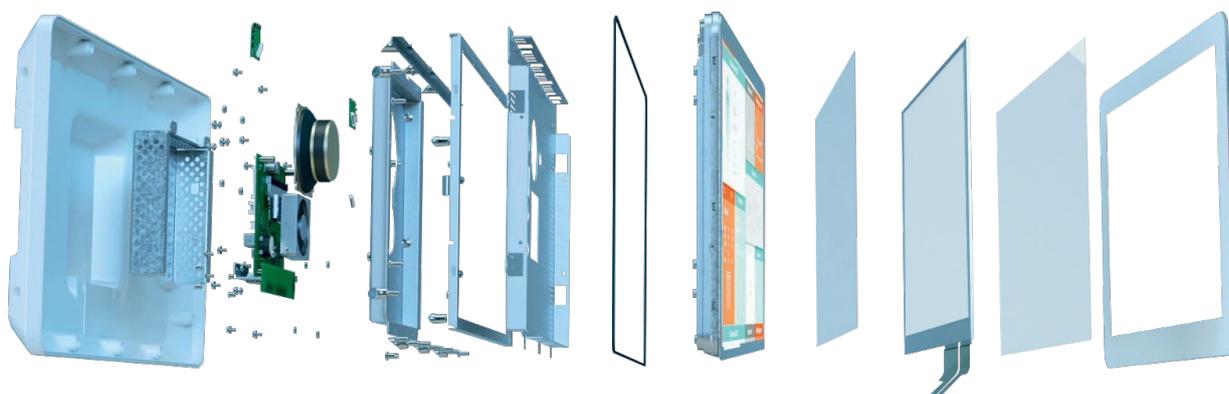
Dear Shareholders,

DATA MODUL finished out the first quarter of 2021 with good results despite persistent supply problems and major uncertainty connected with the ongoing COVID-19 pandemic.

New order volume for the quarter rose 11.9% year-over-year to 63.0 million euros (previous year: 56.3 million euros). Revenue rose 5.5% year-over-year to 48.0 million euros for Q1 2021 (previous year: 45.5 million euros).

EBIT was largely unchanged year-over-year at 3.1 million euros for the quarter (previous year: 3.2 million euros), yielding an EBIT margin of 6.4% (previous year: 6.9%). Net income as of March 31, 2021 was even with the previous year's level at 1.9 million euros (previous year: 1.9 million euros).

The Group will continue systematically executing on our long-term strategy program, confident of our ability to weather challenging economic conditions and times of crisis. In view of the orders currently on the books, the Executive Board anticipates good results for fiscal year 2021 based on an expectation of the multi-billion economic stimulus measures taking effect in the second half, propelling an economic recovery with rebound effects.



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

Following the historic plunge caused by the Covid pandemic in early 2020, the global economy embarked upon a sharp recovery and is largely continuing in this trajectory despite the lockdowns imposed in many countries. This rapid recovery rests substantially upon the surges seen across nearly all major economic zones in the third quarter of 2020. Since early 2021 however, the differing strategies imposed by various countries, including a return to lockdown in some cases, have led to differing outcomes. The US is looking stronger now, having made rapid progress with vaccination, in contrast to the euro zone, which is seeing economic output decline once again. The governments of the euro countries have been progressively tightening lockdown measures in efforts to contain significantly rising infection numbers. Europe's economy thus remains plagued by major uncertainty, delaying further recovery. As vaccination campaigns advance and lockdowns are gradually lifted, the economy should pick up in the course of the second quarter. The dollar can be expected to strengthen against the euro given a robust US economy over the first half of the year as compared to the still-troubled euro zone.

In their spring reports, leading economic research institutes have forecast a soft first quarter for Germany. The general mood concerning the next few months, however, has noticeably improved. In March the ifo business climate index rose to a value of 96.6, up from a seasonally adjusted 92.7 in February to a level not seen since June 2019. Even with rising infection numbers, German manufacturing, services, retail and construction are all looking ahead with cautious optimism. DATA MODUL too is confident regarding the outlook for 2021, being positioned to benefit from the global digitalization trend accelerated by the pandemic.

2. Key figures

in KEUR	01/01 - 03/31/2021	01/01 - 03/31/2020	Change
Total revenue	48,023	45,514	5.5%
Displays	28,559	30,864	-7.5%
Systems	19,464	14,650	32.9%
Orders received	62,997	56,298	11.9%
EBIT ¹⁾	3,068	3,157	-2.8%
EBIT margin ²⁾	6.4%	6.9%	-7.9%
Net income for the period	1,932	1,908	1.3%
Capital expenditure ³⁾	827	908	-8.9%
Employees ⁴⁾	470	447	5.1%
Earnings per share (in EUR)	0.55	0.54	1.2%
Number of shares outstanding	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

3. Business results

DATA MODUL recorded revenue of 48,023 thousand euros for the first three months of the current fiscal year (previous year: 45,514 thousand euros), up 5.5% year-over-year for the quarter. The Displays business segment recorded revenue of 28,559 thousand euros for the first quarter (previous year: 30,864 thousand euros), while 19,464 thousand euros were recorded for the Systems business segment (previous year: 14,650 thousand euros). Orders received rose 11.9% for the Group versus Q1 last year to 62,997 thousand euros (previous year: 56,298 thousand euros). International revenue remained at a high level thanks to the Company's persistent internationalization efforts, although the export rate declined slightly to 47.3% (50.3%).

4. Earnings

Despite facing difficult economic conditions due to the continuing coronavirus pandemic and the containment measures taken in response, DATA MODUL recorded good first-quarter results in 2021. The Company recorded EBIT of 3,068 thousand euros for the first three months of the year (previous year: 3,157 thousand euros), thus EBIT margin narrowed to 6.4% (previous year: 6.9%). The Displays business segment recorded EBIT of 882 thousand euros (previous year: 2,251 thousand euros), while the Systems business segment recorded EBIT of 2,186 thousand euros (previous year: 906 thousand euros). DATA MODUL recorded net income of 1,932 thousand euros for the period ended March 31, 2021, representing a slight 1.2% year-over-year increase (previous year: 1,908 thousand euros), for earnings per share of 0.55 euros (previous year 0.54 euros). The change in the EUR-USD currency pair had a positive impact on net income for the first three months of 2021. 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 145 thousand euros was recorded from these embedded derivatives (gross carrying amounts: financial income 791 thousand euros, financial expense 936 thousand euros).

DATA MODUL drew on government subsidies as part of the coronavirus support package for the private sector. Refunds of social security expenditures borne by the employer in the amount of 53 thousand euros, paid by the Federal Employment Agency for lost work hours, constitute government grants per IAS 20 recognizable in profit and loss. DATA MODUL has opted to report this item on a net basis (i.e. after deducting corresponding expenses).

5. Balance sheet

The balance sheet total increased by 12,432 thousand euros since December 31, 2020 to 165,385 thousand euros (previous year: 152,953 thousand euros). On the assets side this was mainly due to increased inventories and trade receivables. On the liabilities and equity side the increase in total assets was primarily due to higher trade payables and increased equity from the profit carried forward for 2020.

Cash flow from operating activities came to 2,243 thousand euros as of March 31, 2021 (previous year: -4,748 thousand euros). This chiefly reflected a smaller year-over-year increase in inventories for the quarter as well as higher trade payables, offset in part by increased trade receivables. Cash flow from investing activities came to -827 thousand euros for the first three months of 2021, reflecting investments in intangible assets and property, plant and equipment (previous year: -908 thousand euros). Cash flow from financing activities for the first quarter of 2021 came to -742 thousand euros (previous year: -389 thousand euros). At the reporting date the Group held 27,386 thousand euros in cash and cash equivalents (December 31, 2020: 20,416 thousand euros).

As of March 31, 2021 DATA MODUL had an equity ratio of 65.3% (December 31, 2020: 69.2%). The Group thus remains very solid financially, having sufficient liquidity.

6. Capital expenditure

Investments totaling 827 thousand euros were made in the first three months of the year in intangible assets and property, plant and equipment (previous year: 908 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

At quarter-end the Group had 470 employees (previous year: 447).

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, the tremendous impact of public health measures to contain the coronavirus pandemic, 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 March 31, 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. There is major uncertainty at this time regarding the availability of electronic components and when public health measures imposed to flatten the pandemic infection curve will be lifted.

The spread of a new coronavirus variant 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. Measures of value creation in developed countries hit bottom at the most severe point of lockdown in April. This abrupt fall into recession for the global economy was followed in the second half of 2020 by a similarly powerful recovery. Now with a third wave of Covid infection starting, the focus has shifted to national vaccination strategies. Infections numbers are down for countries which have made good progress with vaccination, despite the proliferation of virus mutations, so they will be able to progressively lift lockdown measures impeding economic activity. There is thus considerable country-to-country variation in how the first quarter of 2021 turned out.

The effective vaccination strategy adopted by the US last year has the country looking strong again, which has set out a timeline for the lifting of most restrictions. The US economy is benefiting of course from huge government stimulus packages, leading economists to forecast substantial growth for the first half of the year.

The EU meanwhile, much in contrast to the US, is occupied with another round of lockdown to keep a third wave in check, possibly delaying full recovery further. Initial data indicate a weak first quarter, although the European economy is expected to pick up in the second and third quarters of the year as progress is made with vaccination. Economists are forecasting 3.9% growth for the euro zone in 2021.

Germany's disappointing start with vaccination is reflected in the muted expectations for the first quarter expressed by leading economic research institutes in their spring reports. The general mood concerning the next few months, however, has noticeably improved. In March the ifo business climate index rose to a value of 96.6, up from a seasonally adjusted 92.7 in February. Even with rising infection numbers, German manufacturing, services, retail and construction are all cautiously optimistic about 2021, looking for consumer spending and capital expenditure to rebound.

The market environment remains challenging for DATA MODUL due to the pandemic countermeasures taken, 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 orders currently on the books, the Executive Board anticipates good results for fiscal year 2021 based on an expectation of the multi-billion economic stimulus packages introduced taking effect in the second half, propelling an economic recovery with rebound effects.

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 31, 2021

ASSETS	03/31/2021	12/31/2020
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	3,055	3,066
Property, plant and equipment	18,374	18,559
Right-of-use assets	11,821	12,330
Capitalized costs to fulfill a contract	6,603	5,720
Deferred tax assets	727	701
Total non-current assets	42,999	42,795
Current assets		
Inventories	56,379	52,029
Trade accounts receivable including impairments (2021: 583; 2020: 605)	28,658	24,181
Contract assets	5,122	2,904
Tax receivables	576	705
Other current assets	2,641	1,019
Other current financial assets	1,624	2,664
Cash and cash equivalents	27,386	26,656
Total current assets	122,386	110,158
Total assets	165,385	152,953

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	03/31/2021	12/31/2020
Shareholders' equity		
Share capital: no-par-value bearer shares (issued and outstanding: 3,526,182 as of 03/31/2021 and 12/31/2020)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	72,985	71,054
Other reserves	380	108
Total shareholders' equity	108,063	105,860
Non-current liabilities		
Pensions and non-current personnel liabilities	1,587	1,587
Non-current provisions	234	237
Non-current contract liabilities	4,778	4,381
Non-current lease liabilities	12,084	12,468
Deferred tax liabilities	1,007	803
Total non-current liabilities	19,690	19,476
Current liabilities		
Trade accounts payable	22,070	11,787
Current contract liabilities	317	374
Current lease liabilities	2,278	2,283
Taxes payable	1,061	1,291
Current provisions	1,216	1,130
Other current liabilities	7,805	6,819
Other current financial liabilities	2,885	3,933
Total current liabilities	37,632	27,617
Total liabilities	57,322	47,094
Total liabilities and shareholders' equity	165,385	152,953

All figures in KEUR

CONSOLIDATED STATEMENT OF INCOME

	01/01 – 03/31/2021	01/01 – 03/31/2020
Revenue	48,023	45,514
Cost of sales	(38,218)	(34,984)
Gross margin	9,805	10,530
Research and development expenses	(1,254)	(1,296)
Selling and general administrative expenses	(5,483)	(6,077)
Earnings before interest and taxes (EBIT)	3,068	3,157
Financial income	791	10
Financial expenses	(1,062)	(146)
Earnings before taxes for the period	2,797	3,021
Income tax expense	(865)	(1,113)
Net income for the period	1,932	1,908
Earnings per share – basic	0.55	0.54
Earnings per share – diluted	0.55	0.54
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 shares outstanding.

CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01 – 3/31/2021	01/01 – 3/31/2020
Cash flows from operating activities		
Net income for the period	1,932	1,908
<i>Non-cash expenses and income:</i>		
Income tax expense	868	1,125
Depreciation, amortization and impairments	1,490	1,468
Provisions for bad debts	(48)	(22)
Gain from disposals of fixed assets	0	35
Net interest	272	137
Net loss from embedded derivatives measured at fair value through profit or loss	145	0
Other non-cash expenses and income	127	406
Changes:		
Change in inventories	(4,350)	(10,860)
Change in trade receivables and contract assets	(6,648)	(434)
Change in other assets	(512)	(1,566)
Change in trade accounts payable	10,283	6,448
Other liabilities and contract liabilities	(532)	(573)
Income taxes paid	(784)	(2,820)
Cash flows from operating activities	2,243	(4,748)
Cash flows from investing activities		
Capital expenditures with capitalizable development cost	(219)	(101)
Capital expenditures on other intangible assets and property, plant and equipment	(608)	(807)
Cash flows from investing activities	(827)	(908)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(473)	(353)
Cash inflows from current financial liabilities (+)	0	41
Interest received (+) / paid (-) (net)	(271)	(60)
Other financing activities	2	(17)
Cash flows from financing activities	(742)	(389)
Effects of exchange rate movements on cash & cash equivalents	57	40
Net change in cash and cash equivalents	731	(6,005)
Cash and cash equivalents at beginning of the fiscal year	26,655	26,421
Cash and cash equivalents at end of the quarter	27,386	20,416

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 01/01/2020	3,526,182	10,579	24,119	63,994	907	99,599
Net income for the period				1,908		1,908
Foreign currency translation					(85)	(85)
BALANCE AS OF 03/31/2020	3,526,182	10,579	24,119	65,902	822	101,422
BALANCE AS OF 01/01/2021	3,526,182	10,579	24,119	71,054	108	105,860
Net income for the period				1,931		1,931
Foreign currency translation					272	272
BALANCE AS OF 03/31/2021	3,526,182	10,579	24,119	72,985	380	108,063

All figures in KEUR except number of shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/01 – 3/31/2021	01/01 – 3/31/2020
Net income for the period	1,932	1,908
<i>Other comprehensive income to be reclassified to profit/loss in subsequent reporting periods</i>		
Adjustments from currency translation of foreign subsidiary results	272	(85)
Comprehensive income after tax	2,204	1,823

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, 2020.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2020 were applied in preparing this Consolidated Quarterly Report dated March 31, 2021. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The IFRS standards newly adopted in fiscal year 2020 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.

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FINANCIAL CALENDAR 2021

Annual Shareholders' Meeting	May 6, 2021
Half-year financial report dated June 30, 2021	August 6, 2021
Quarterly financial report dated September 30, 2021	November 5, 2021
Münchener Kapitalmarkt-Konferenz (Munich Capital Markets Conference)	December 7, 2021