

DATA MODUL

HALF-YEAR FINANCIAL REPORT
AS OF JUNE 30, 2017

Integration support
Quality Management
OEM Solutions

Software

Open Frame Monitors

LCD Controller

Logistics

Baseboards
Climatic test

Made in Germany

Computer-on-Module

Mechanical design

Embedded Systems

Project Management

Display

Qualification & Approvals

Modular product concept

Certification

Firmware

Front glass

Industrial Automation

Clean room

Touch Solutions

easyTOUCH

On-site service

Information Systems

Obsolescence Management

Installation
Custom designs
Production

SYSTEMS

EMC tests

Panel PCs

Optical Bonding

Construction

PCAP

BOARDS

System solutions

VISUAL SOLUTION PROVIDER

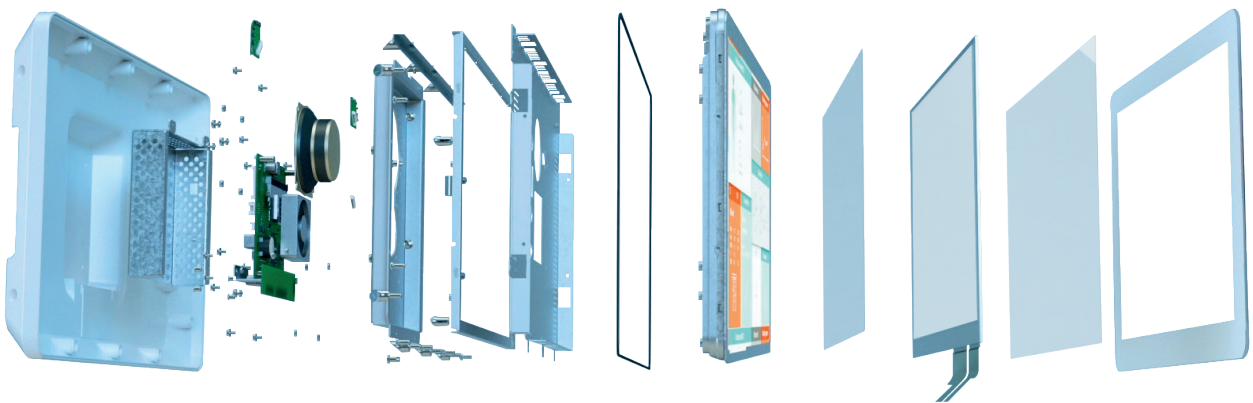
Research & Development

Human Machine Interface

Dear Shareholders,

DATA MODUL maintained the strong momentum seen early in the year to post very good results for the second quarter of 2017.

New orders in Q2 2017 exceeded the record set in Q1 – traditionally strong for DATA MODUL at 70.4 million euros (Q2 2016: 48.4 million euros), simultaneously representing a record level for the first half. In H1 2017 new orders rose 33.7% year-on-year to 134.7 million euros (H1 2016: 100.8 million euros). Second-quarter sales rose 7.2% year-on-year to 53.8 million euros (Q2 2016: 50.2 million euros). The half-year sales figure of 111.9 million euros is 11.8% higher year-on-year (H1 2016: 100.1 million euros). EBIT for the first six months of 2017 rose at a faster pace than sales, surging 15.7% to 9.0 million euros (H1 2016: 7.8 million euros), which corresponds to an EBIT margin of 8.1% (H1 2016: 7.8%). Net profit for the first half rose 9.2% year-on-year to 6.1 million euros (H1 2016: 5.6 million euros). The very strong business growth seen in the first half of 2017 confirms the soundness of DATA MODUL's corporate strategy, which we will continue systematically executing on in the second half of the year. In view of the results we are slightly adjusting our market guidance for fiscal year 2017.



INTERIM GROUP MANAGEMENT REPORT

1. General economic conditions

Since the start of the year, the global growth outlook has not significantly changed, the robust economic situation continuing to indicate substantial expansion of the global economy for full-year 2017. Indicators and economic data show a modest acceleration of the US economy in the second quarter, coming after somewhat weaker economic growth in the first quarter. This fairly moderate outlook for the US is counterbalanced by improved growth prospects for the euro area and China. The recovery in the euro area is solidifying, with sentiment indicators signaling that the economy will maintain its considerable momentum throughout the summer. Economic policy risks remain due to persistent questions regarding a shift in US trade policy and to the uncertain outcome of negotiations for the UK to exit the European Union. However, anticipated negative political developments did not materialize in connection with key elections in the major EU member states in the first half of the year.

In view of the continuing robustness of economic data and favorable projections for our primary markets, we continue to see favorable conditions for DATAMODUL in fiscal year 2017.

2. Corporate Results

| In thousand euros (kEUR) | 4/1 - 6/30/2017 | 4/1 - 6/30/2016 | Change | 1/1 - 6/30/2017 | 1/1 - 6/30/2016 | Change |
|----------------------------------|--------------------|--------------------|--------|--------------------|--------------------|--------|
| Total sales | 53,847 | 50,212 | 7.2% | 111,886 | 100,051 | 11.8% |
| Displays | 30,300 | 27,806 | 9.0% | 62,422 | 58,533 | 6.6% |
| Systems | 23,547 | 22,406 | 5.1% | 49,464 | 41,518 | 19.1% |
| New orders | 70,377 | 48,382 | 45.5% | 134,727 | 100,757 | 33.7% |
| Order backlog | 121,223 | 102,188 | 18.6% | 121,223 | 102,188 | 18.6% |
| EBIT | 3,532 | 3,781 | -6.6% | 9,039 | 7,812 | 15.7% |
| EBIT margin | 6.6% | 7.5% | -12.0% | 8.1% | 7.8% | 3.8% |
| Net profit for the period | 2,380 | 2,565 | -7.2% | 6,065 | 5,555 | 9.2% |
| Capital expenditure | 1,938 | 1,572 | 23.3% | 2,443 | 2,292 | 6.6% |
| Employees | 401 | 393 | 2.0% | 401 | 393 | 2.0% |
| Dividend per share (in euros) | 0.67 | 0.73 | -7.2% | 1.72 | 1.58 | 9.2% |
| Outstanding shares – Basic | 3,526,182 | 3,526,182 | 0.0% | 3,526,182 | 3,526,182 | 0.0% |

3. Business performance

DATA MODUL recorded sales of 53,847 thousand euros for the second quarter of 2017 (Q2 2016: 50,212 thousand euros). This represents a 7.2% increase versus the same quarter last year. In a half-year view, sales rose 11.8% versus the H1 2016 figure of EUR 100,051 thousand to 111,886 thousand euros. The Displays business segment recorded sales of 30.3 thousand euros in the second quarter (Q2 2016: 27,806 thousand); and the Systems division recorded sales of 23,547 thousand euros (Q2 2016: 22,406 thousand euros). New orders rose 45.5% for the Group year-over-year to 70,377 thousand euros (previous year: 48,382 thousand), and order backlog rose 18.6% to 121,223 thousand euros (previous year: 102,188 thousand). In view of these figures, we anticipate sales to remain strong over the remainder of the fiscal year. The Company's strategy to enhance its international orientation continues to yield successes, reflected in an increased export rate of 50.2% for the first six months of 2017 (previous year: 44.5%).

4. Earnings

For the period January 1 through June 30, 2017 DATA MODUL recorded EBIT of 9,039 thousand euros (H1 2016: 7,812 thousand euros), representing an increase of 15.7%. The Displays division recorded EBIT of 4,641 thousand euros (H1 2016: 4,958 thousand), while the Systems division recorded EBIT of 4,397 thousand euros (H1 2016: 2,854 thousand). This resulted in EBIT margin widening to 8.1% (H1 2016: 7.8%). DATA MODUL thus recorded a net profit for the period of 6,065 thousand euros (H1 2016: 5,555 thousand euros, up 9.2% year-on-year for earnings per share of 1.72 euros (previous year: 1.58 euros). Earnings for the first six months of 2017 were heavily impacted by the movement of the EUR-USD currency pair.

5. Balance sheet

The balance sheet total has increased by 8,456 thousand euros since calendar year-end to 111,497 thousand euros (December 31, 2016: 103,041 thousand). On the assets side, this increase was principally due to higher trade receivables and inventories, reflecting our strong business results. On the liabilities side, the increase in total assets was mainly due to the increase in equity resulting from net profit for H1 2017 and to higher liabilities due to financial institutions.

Cash flows from operating activities as of June 30, 2017 came to -5,047 thousand euros (H1 2016: -2,556 thousand euros). This was mainly due to increased inventories and trade receivables in connection with higher sales. Investments in intangible assets and property, plant and equipment in the first half of 2017 resulted in cash flow from investing activities of EUR -2,437 thousand euros (H1 2016: -2,278 thousand euros). Cash flow from financing activities, which included short-term credit taken out with banks and the dividend distribution for fiscal year 2016, was 3,555 thousand euros (previous year: -1,925 thousand euros). At the reporting date the Group had 13,253 thousand euros in cash and cash equivalents (December 31, 2016: 17,193 thousand euros).

At the end of Q2 2017 DATA MODUL had an equity ratio of 67.5% (December 31, 2016: 68.0%).

The Group thus remains very solid financially, with sufficient liquidity.

6. Capital expenditure

Capital expenditures in the first half of 2017 totaled 2,443 thousand euros (H1 2016: 2,292 thousand euros). A major part of this investment went to the purchase of land and a building for expanding production and logistics capacity at the Weikersheim site. Over the remainder of the current fiscal year we are planning capital expenditures for our Munich location and our production and logistics center in Weikersheim. To ensure we maintain our competitiveness, we will continue investing in research and development.

7. Number of employees

As of June 30, 2017, the number of Group employees was 401 (end of H1 2016: 393).

8. Opportunities and risks

In fiscal year 2017, DATA MODUL will remain focused on growth in its core Displays and Systems businesses. 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. Currently, there are no apparent going-concern risks to which the DATA MODUL Group is exposed. No significant changes have occurred in the information on risks and rewards published in the 2016 Annual Report.

9. Subsequent events

We are not aware of any significant events occurring after the reporting date of June 30, 2017 which would have had a major influence or impact on the Company'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 carry the inevitable risk that projected developments may not actually occur, with respect to either their direction or extent.

Six months into the year, the global economy remains solidly on track for growth. The International Monetary Fund (IMF) confirmed this growth outlook for 2017 (+ 3.5%) and 2018 (+ 3.6%) in its most recent report published in July 2017, which showed minor percentage shifts between the various economic regions.

Despite a slight slowing in the first quarter, the fundamental uptrend for the US economy remains intact, the IMF projecting 2.1% economic growth for 2017. Economic momentum is underpinned by rising corporate investment activity and a healthy employment situation, despite the fact that the economic policy intentions of the US government have thus far been largely opaque and vague.

The current outlook for the Chinese economy is solid, with growth of 6.7% projected for 2017, in line with last year's level.

The euro area remains on a solid growth trajectory thanks to a sustained economic recovery. Political risks declined in the wake of the elections held in major EU member states in the first half of the year, and initial signs are being seen of increased economic coordination.

Germany, our core sales market, saw an acceleration in the country's economic upturn in the second quarter. Coming after a rise in capital investment in the first quarter, the German economy is now receiving an additional boost from consumer spending. The German mechanical and industrial engineering association (VDMA) has raised its production projections for the industry from 1% to 3% for 2017. This was in part due to strong demand from China, as machinery and industrial equipment makers recorded a 15% rise in exports to the country in the first four months of the year. The favorable business climate is beneficial for employment, which continues to surge with new jobs being created in nearly every sector of the economy.

The Shape 2020 strategy program is aimed at further strengthening DATA MODUL's global competitiveness. We aim for balanced sales growth in Europe, the US and China, with Germany naturally forming the backbone of the Group's business. The DATA MODUL Group will thus find growth opportunities in 2017 arising from the overall economic situation and from new products developed to market-readiness, despite fierce competition.

In view of the continuing strong results in the first half of the year and chiefly positive economic environment, the DATA MODUL Executive Board expects fiscal year 2017 to turn out excellently, and thus raised its guidance in an ad hoc release on July 26, 2017.

The management further expects – each with respect to the entire fiscal year 2017 and in comparison to the previous fiscal year 2016 – an increase in orders received by 10 to 30 percent (previous forecast: 4 to 15 percent) and an increase in order backlog by 7 to 25 percent (previous forecast: 3 to 15 percent). The management further expects an increase in sales by 7 to 18 percent (previous forecast: 3 to 14 percent), an increase of the Group EBIT by 6 to 25 percent (previous forecast: 3 to 10 percent) and an increase of the net income by 6 to 25 percent (previous forecast: 3 to 10 percent).

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 BALANCE SHEET AS OF JUNE 30, 2017

| ASSETS | 6/30/2017 | 12/31/2016 |
|---|----------------|----------------|
| Non-current assets | | |
| Goodwill | 2,419 | 2,419 |
| Intangible assets | 2,665 | 2,494 |
| Property, plant and equipment | 12,672 | 11,562 |
| Deferred tax assets | 127 | 127 |
| Total non-current assets | 17,883 | 16,602 |
| Current assets | | |
| Inventories | 49,035 | 44,030 |
| Trade accounts receivable net of allowance for doubtful accounts (2017: 157; 2016: 157) | 29,570 | 23,039 |
| Other current assets | 1,413 | 1,817 |
| Other current financial assets | 343 | 360 |
| Cash and cash equivalents | 13,253 | 17,193 |
| Total current assets | 93,614 | 86,439 |
| Total assets | 111,497 | 103,041 |

All figures in kEUR

| LIABILITIES AND SHAREHOLDERS' EQUITY | 6/30/2017 | 12/31/2016 |
|---|------------------|-------------------|
| Shareholders' equity | | |
| Capital stock no-par bearer shares (approved: 5,289 thousand euros shares issued and outstanding: 3,526,182 as of 6/30/2017 and 12/31/2016) | 10,579 | 10,579 |
| Capital reserves | 24,119 | 24,119 |
| Retained earnings | 42,032 | 36,390 |
| Other reserves | -1,466 | -1,061 |
| Total shareholders' equity | 75,264 | 70,027 |
| Non-current liabilities | | |
| Pensions and non-current personnel liabilities | 1,572 | 1,579 |
| Non-current provisions | 394 | 384 |
| Other non-current liabilities | 1,094 | 1,469 |
| Deferred tax liabilities | 701 | 679 |
| Total non-current liabilities | 3,761 | 4,111 |
| Current liabilities | | |
| Trade accounts payable | 14,872 | 14,215 |
| Taxes payable | 2,244 | 1,308 |
| Current provisions | 2,055 | 2,437 |
| Liabilities due to financial institutions | 7,000 | 3,000 |
| Other current liabilities | 5,403 | 7,094 |
| Other current financial liabilities | 898 | 849 |
| Total current liabilities | 32,472 | 28,903 |
| Total liabilities | 36,233 | 33,014 |
| Total liabilities and shareholders' equity | 111,497 | 103,041 |

All figures in kEUR

CONSOLIDATED STATEMENT OF INCOME

| | 04/01 – 6/30/2017 | 04/01 – 6/30/2016 | 01/01 – 6/30/2017 | 01/01 – 6/30/2016 |
|--|----------------------|----------------------|----------------------|----------------------|
| Sales revenue | 53,847 | 50,212 | 111,886 | 100,051 |
| Cost of sales | -41,753 | -38,170 | -86,147 | -76,225 |
| Gross margin | 12,094 | 12,042 | 25,739 | 23,826 |
| Research and development expenses | -1,612 | -1,686 | -3,282 | -3,132 |
| Selling and general administrative expenses | -6,950 | -6,575 | -13,418 | -12,882 |
| Earnings before interest and taxes (EBIT) | 3,532 | 3,781 | 9,039 | 7,812 |
| Interest income | 0 | 1 | 1 | 1 |
| Interest expense | -16 | -14 | -28 | -34 |
| Earnings before taxes for the period | 3,516 | 3,768 | 9,012 | 7,779 |
| Income tax expense | -1,136 | -1,203 | -2,947 | -2,224 |
| Net profit for the period | 2,380 | 2,565 | 6,065 | 5,555 |
| Earnings per share – basic | 0.67 | 0.73 | 1.72 | 1.58 |
| Earnings per share – diluted | 0.67 | 0.73 | 1.72 | 1.58 |
| 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 of shares outstanding.

CONSOLIDATED STATEMENT OF CASH FLOWS

| | 01/01 – 6/30/2017 | 01/01 – 6/30/2016 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Net profit for the period | 6,065 | 5,555 |
| <i>Non-cash expenses and income</i> | | |
| Income tax expense | 2,968 | 2,225 |
| Depreciation, amortization and impairments | 1,144 | 999 |
| Provisions for bad debts | 0 | 119 |
| Gain from disposals of fixed assets | -6 | -13 |
| Net interest | 27 | 33 |
| Other non-cash expenses and income | 2 | -3 |
| <i>Change from:</i> | | |
| Trade accounts receivable, increase (-) / decrease (+) | -6,531 | -9,930 |
| Inventories, increase (-) / decrease (+) | -5,005 | -1,170 |
| Trade accounts payable, increase (+) / decrease (-) | 655 | -437 |
| Other assets and liabilities, increase (+) / decrease (-) | -2,535 | 2,214 |
| Income taxes paid | -1,858 | -2,115 |
| Interest received (+) / paid (-) (net) | 27 | -33 |
| Cash flows from operating activities | -5,047 | -2,556 |
| Cash flows from investing activities | | |
| Proceeds from disposals of fixed assets | 6 | 14 |
| Capital expenditures with capitalizable development cost | -220 | -352 |
| Capital expenditures on other intangible assets and property, plant and equipment | -2,223 | -1,940 |
| Cash flows from investing activities | -2,437 | -2,278 |
| Cash flows from financing activities | | |
| Cash inflows (+) / outflows (-) from current financial liabilities | 4,000 | -1,500 |
| Dividend paid | -423 | -423 |
| Other financing activities | -22 | -2 |
| Cash flows from financing activities | 3,555 | -1,925 |
| Effects of exchange rate movements on cash & cash equivalents | -11 | -18 |
| Net change in cash and cash equivalents | -3,940 | -6,777 |
| Cash and cash equivalents at beginning of the fiscal year | 17,193 | 19,334 |
| Cash and cash equivalents at end of the quarter | 13,253 | 12,557 |

All figures in kEUR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Capital stock Shares | Capital stock Amount | Capital reserves | Retained earnings | Other reserves | Total |
|---|-------------------------|-------------------------|---------------------|----------------------|-------------------|---------------|
| BALANCE AS OF 1/1/2016 | 3,526,182 | 10,579 | 24,119 | 26,633 | -1,085 | 60,246 |
| Net profit for the period | | | | 5,555 | | 5,555 |
| Dividend | | | | -423 | | -423 |
| Foreign currency trans- lation adjustments | | | | | -129 | -129 |
| BALANCE AS OF 6/30/2016 | 3,526,182 | 10,579 | 24,119 | 31,765 | -1,214 | 65,249 |
| BALANCE AS OF 1/1/2017 | 3,526,182 | 10,579 | 24,119 | 36,390 | -1,061 | 70,027 |
| Net profit for the period | | | | 6,065 | | 6,065 |
| Dividend | | | | -423 | | -423 |
| Other comprehensive income (loss) | | | | | -21 | -21 |
| Foreign currency trans- lation adjustments | | | | | -384 | -384 |
| BALANCE AS OF 6/30/2017 | 3,526,182 | 10,579 | 24,119 | 42,032 | -1,466 | 75,264 |

All figures in kEUR except number of shares

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 04/01 – 6/30/2017 | 04/01 – 6/30/2016 | 01/01 – 6/30/2017 | 01/01 – 6/30/2016 |
|--|----------------------|----------------------|----------------------|----------------------|
| Net profit for the period | 2,380 | 2,565 | 6,065 | 5,555 |
| <i>Other comprehensive income (loss) to be reclassified and reported in profit or loss in subsequent reporting periods</i> | | | | |
| Adjustments from currency translation of foreign subsidiary results | -347 | 72 | -384 | -129 |
| <i>Other comprehensive income (loss) not to be reclassified and reported in profit or loss in subsequent reporting periods</i> | | | | |
| Deferred taxes recorded in equity | -21 | 0 | -21 | 0 |
| Comprehensive income after tax | 2,012 | 2,637 | 5,660 | 5,426 |

All figures in kEUR

INCOME TAX

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

| | 01/01 – 6/30/2017 | 01/01 – 6/30/2016 |
|-----------------------|-------------------|-------------------|
| Actual tax expense | -2,946 | -2,190 |
| Deferred income taxes | -1 | -34 |
| Income tax expense | -2,947 | -2,224 |

All figures in kEUR

DIVIDEND DISTRIBUTION

| | 6/30/2017 | 6/30/2016 |
|--|-----------|-----------|
| Approved and distributed dividends on common stock | 423 | 423 |

All figures in kEUR

NOTES TO THE FINANCIAL STATEMENTS

Principles of financial statement preparation

The abbreviated consolidated interim financial statements and interim Group 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, 2016.

The same recognition and measurement methods applied to prepare the 2016 consolidated financial statements were applied in preparing this abbreviated consolidated half-year financial report dated June 30, 2017. These interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Reporting. The IFRS standards newly adopted in fiscal year 2017 had no effect on our balance sheet or earnings. These interim financial statements and the interim 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 half-year financial report is prepared in euro denomination (EUR). For presentation purposes, the 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 1/1 – 6/30/2017 | Displays | Systems | Group total |
|--|-----------------|----------------|--------------------|
| Sales revenue | 62,422 | 49,464 | 111,886 |
| Net profit for the period | 3,279 | 2,786 | 6,065 |

| Segment results 1/1 – 6/30/2016 | Displays | Systems | Group total |
|--|-----------------|----------------|--------------------|
| Sales revenue | 58,533 | 41,518 | 100,051 |
| Net profit for the period | 3,759 | 1,796 | 5,555 |

All figures in kEUR

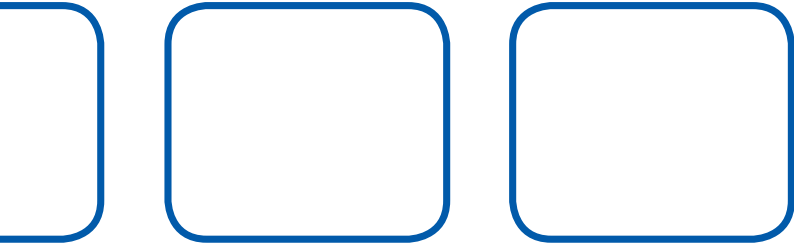
Management Representation

I represent, to the best of my knowledge and ability and in accordance with the applicable accounting principles for interim financial statements, 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 presents fairly, in all material respects, the Group's business performance, results and financial position, as well as significant risks and opportunities for the Group of relevance during the remainder of the fiscal year.

Dr. Florian Pesahl
Chief Executive Officer

Disclaimer

The current consolidated 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 2017/2018

Quarterly report as of September 30, 2017

November 10, 2017

Annual Report 2017

March 2018