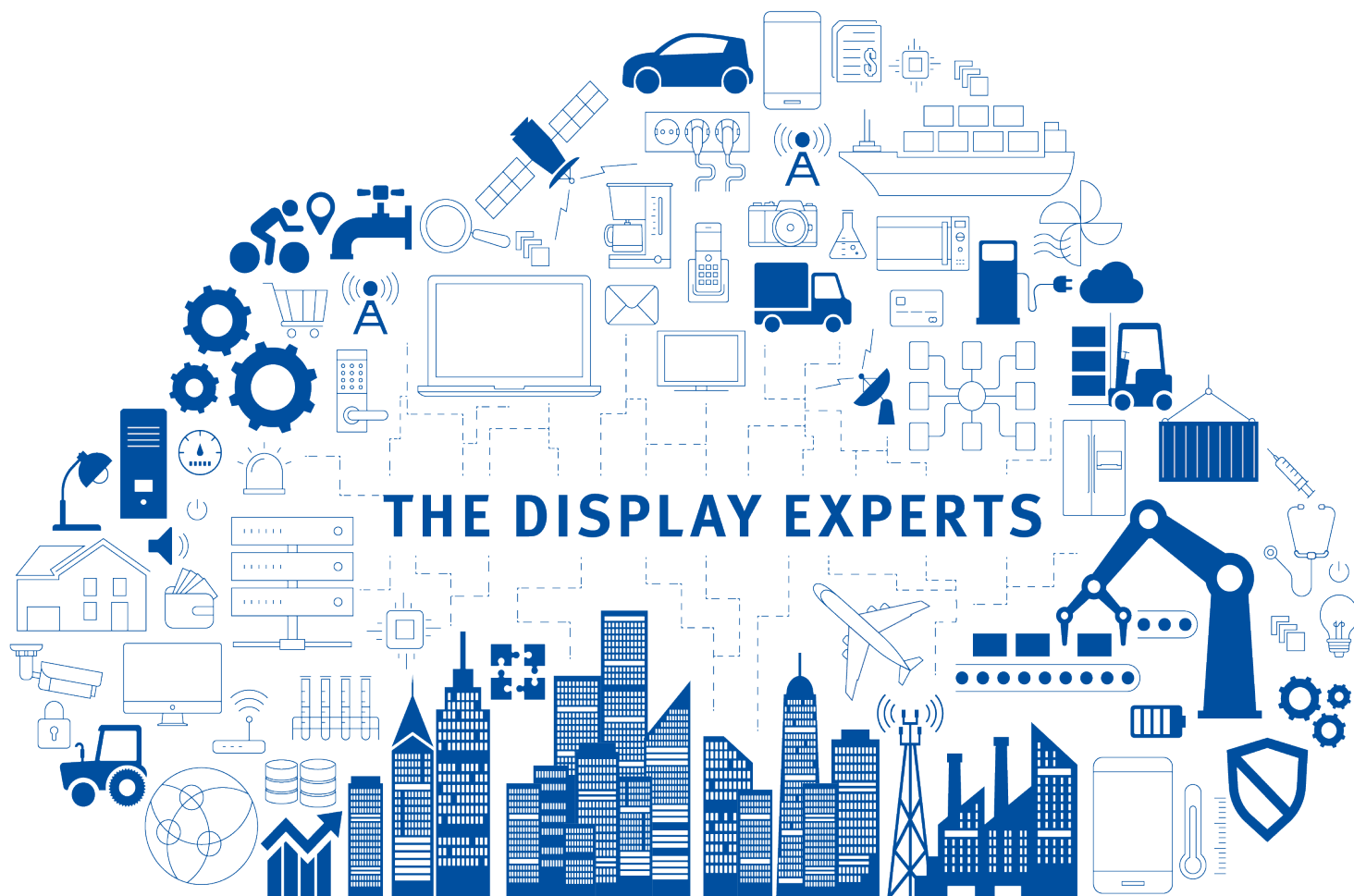


# DATA MODUL

QUARTERLY REPORT  
AS OF SEPTEMBER 30, 2021



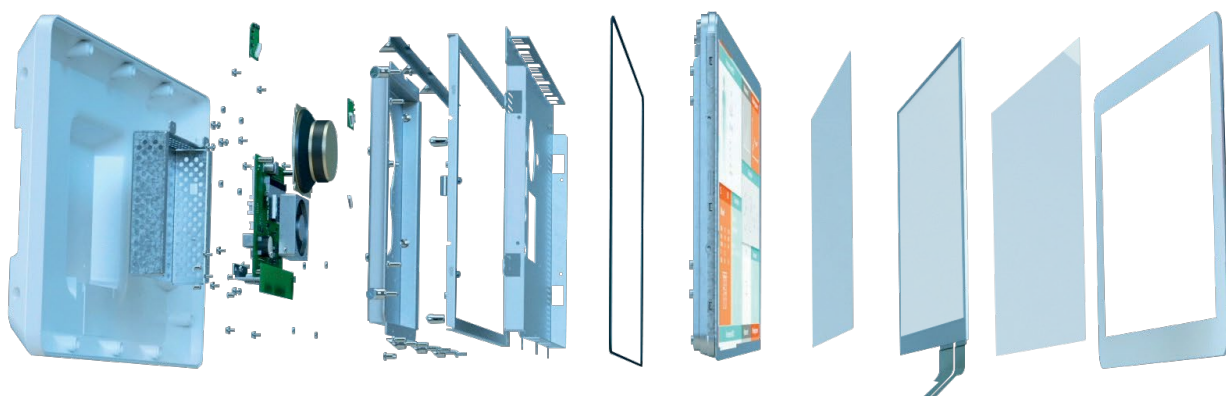
*Dear Shareholders,*

*The business outlook for DATA MODUL AG remains excellent, as indicated by new orders, which remain strong, and by order backlog, which reached a record level in the third quarter of 2021.*

*New orders rose 17.8% year-over-year in the third quarter of 2021 to 51.1 million euros (previous year: 43.4 million euros). Versus the first nine months of 2020 orders received rose 24.5% to 179.1 million euros (previous year: 143.9 million euros). Persistent shortages of electronics components and delivery problems led to a revenue decline of 6.7% versus the third quarter of 2020 to 45.8 million euros (previous year: 49.0 million euros). Revenue for the first nine months of 2021 came to 137.7 million euros, 0.5% lower year-over-year (previous year: 138.3 million euros).*

*Stringent cost-cutting measures connected with the COVID 19 pandemic led to an 11.5% rise in EBIT for the third quarter of 2021 to 3.1 million euros (previous year: 2.8 million euros), for EBIT margin of 6.7% (previous year: 5.6%). As of the statement date EBIT had increased 3.7% to 7.9 million euros (previous year: 7.7 million euros), widening EBIT margin to 5.8% (previous year: 5.5%). Net income for the period (third quarter of 2021) fell to 1.0 million euros year-over-year (previous year: 1.7 million euros). Net income for the period (and thus earnings per share) was negatively impacted by foreign currency derivatives held because of a high level of outstanding orders in foreign currencies. Larger procurement orders have been placed in foreign currency in response to the materials shortages and current delivery problems. Net income declined by 4.6 million euros as of September 30, 2021, down 5.1% year-over-year (previous year: 4.9 million euros).*

*We remain in a challenging market environment due to the ongoing coronavirus pandemic and there is little economic certainty. The global shortage of electronic components persists due to supply chain problems. Continuing to systematically execute on the long-term DATA MODUL strategy program will ensure the Company's ability to operate profitably despite a clouded economic outlook or even crisis conditions.*



# INTERIM GROUP MANAGEMENT REPORT

## 1. General economic conditions

With the gradual easing of pandemic restrictions, significant economic recovery was observed in the second quarter 2021. Then in the third quarter the global economy expanded further, apparently, though not as substantially as anticipated. Going into the second autumn of the pandemic, countries in the northern hemisphere are seeing infection numbers rise again, although hospital overload has thus far been avoided through high vaccination rates. Emerging-market nations will likely face an increasingly improved situation thanks to adequate vaccine dose availability. The most recent developments however have made clear that the global economy is subject to other disruptive risks besides the coronavirus. Investors around the world are concerned over market intervention by the Chinese government and the financial troubles of the Chinese real estate company Evergrande. The continuing supply chain problems burdening the industrial sector will remain in place over the months ahead, which in combination with accelerating growth and consumer spending will give rise to inflationary pressures. Going into 2022 however inflation will likely slow significantly as certain one-time effects cease to play a role.

The German economy continues to enjoy positive momentum overall, although supply chain difficulties will remain a problem for manufacturing over the next several months as the sector seeks recovery. This led to a significant decline in sentiment regarding the German economy in September. Manufacturers were less satisfied with the present business situation than before, taking a skeptical attitude regarding the months ahead. In June the ifo business climate index fell to a value of 98.8, after 101.8 points in the previous quarter (seasonally adjusted). Downside risk has increased somewhat though the growth forecast for Germany remains unchanged. DATA MODUL remains confident regarding 2021 in view of our full order books.

## 2. Key figures

	07/01 - 09/30/2021	07/01 - 09/30/2020	Change	01/01 - 09/30/2021	01/01 - 09/30/2020	Change
Total revenue	45,768	49,036	-6.7%	137,703	138,327	-0.5%
Displays	30,550	29,498	3.6%	86,722	88,384	-1.9%
Systems	15,218	19,538	-22.1%	50,981	49,943	2.1%
Orders received	51,102	43,370	17.8%	179,067	143,854	24.5%
EBIT <sup>1)</sup>	3,087	2,769	11.5%	7,946	7,660	3.7%
EBIT margin <sup>2)</sup>	6.7%	5.6%	19.6%	5.8%	5.5%	5.5%
Net income for the period	965	1,713	-43.7%	4,627	4,876	-5.1%
Capital expenditure <sup>3)</sup>	492	747	-34.1%	2,376	2,391	-0.6%
Employees <sup>4)</sup>	460	455	1.1%	460	455	1.1%
Earnings per share (in euros)	0.26	0.48	-45.8%	1.31	1.38	-5.1%
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 45,768 thousand euros in the third quarter of 2021 (previous year: 49,036 thousand euros), down 6.7% versus the same quarter last year. Revenue for the first nine months of 2021 declined 0.5% to 137,703 thousand euros from 138,327 thousand euros in the previous year. The Displays business segment recorded revenue of 30,550 thousand euros in the third quarter (previous year: 29,498 thousand euros), and the Systems division recorded revenue of 15,218 thousand euros (previous year: 19,538 thousand euros). Orders received rose 17.8% for the Group versus the same quarter last year to 51,102 thousand euros (previous year: 43,370 thousand euros). The strategic internationalization efforts being driven forward continue to bear fruit, as the export rate for the first nine months of 2021 has slightly increased to 49.2% (previous year: 48.0%).

### 4. Earnings

As health policy measures to contain the coronavirus pandemic have been lifted, global economic activity has resurged, pent-up consumer spending returning in part to previous levels. Additional cost-cutting measures implemented in connection with the COVID-19 pandemic enabled DATA MODUL to record EBIT of 3,087 thousand euros in the third quarter of 2021 (previous year: 2,769 thousand euros). This resulted in EBIT margin widening to 6.7% (previous year: 5.6%). In the period January 1 to September 30, 2021 EBIT rose 3.7% to 7,946 thousand euros (previous year: 7,660 thousand euros) for an EBIT return of 5.8% (previous year 5.5%). The Displays business segment recorded EBIT of 3,551 thousand euros (previous year: 2,815 thousand euros), while the Systems business segment recorded EBIT of 4,395 thousand euros (previous year: 4,845 thousand euros). Net income for the third quarter of 2021 came to 965 thousand euros (previous year: 1,713 thousand euros). The year-to-date income recorded as of September 30, 2021 of 4,627 thousand euros represents a 5.1% decrease year-over-year (previous year: 4,876 thousand euros), yielding earnings per share of 1.31 euros (previous year: 1.38 euros). Net income for the period and thus earnings per share were negatively impacted by derivative financial instruments on embedded foreign currency derivatives measured at fair value through profit or loss, affecting the financial result. A net loss of 1,359 thousand euros was recorded on these embedded derivatives (gross carrying amounts: financial income 44 thousand euros, financial expense 1,403 thousand euros). Larger procurement orders have been placed in foreign currency in response to the materials shortages and current delivery problems.

### 5. Balance sheet

The balance sheet total increased by 28,467 thousand euros since December 31, 2020 to 181,420 thousand euros (previous year: 152,953 thousand euros). On the assets side of the balance sheet, this increase was largely attributable to the rise in inventories. On the liabilities and equity side of the balance sheet, the rise in total assets resulted mainly from increased trade payables as of the balance sheet date and liabilities due to financial institutions.

Cash flow from operating activities came to -6,589 thousand euros as of September 30, 2021 (previous year: -8,382 thousand euros). This mainly reflects the rise in inventories, offset by higher trade accounts payable. Cash flow from investing activities came to -2,377 thousand euros, reflecting investments in intangible assets and property, plant and equipment made in the first nine months of the year (previous year: -2,391 thousand euros). Increased liabilities due to financial institutions, cash outflows for leases and the dividend distribution for fiscal year 2020 resulted in net cash flow from financing activities of 5,468 thousand euros (previous year: 3,674 thousand euros). At the reporting date the Group held 23,289 thousand euros in cash and cash equivalents (December 31, 2020: 26,656 thousand euros).

At the end of the third quarter of 2021 DATA MODUL recorded an equity ratio of 60.9% (December 31, 2020: 69.2%). The Group thus remains solid financially, having sufficient liquidity.

The Executive Board's empowerment to utilize authorized capital under Sec. 3 (3) of the Company's Articles of Incorporation expired unused on July 2, 2020.

## 6. Capital expenditure

Capital expenditure in the first nine months of 2021 totaled 2,376 thousand euros (previous year: 2,391 thousand euros). A major part of this investment went to expanding production and logistics capacity at the sites in Weikersheim (Germany) and Lublin (Poland). 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 460 employees as of September 30, 2021 (previous year: 455).

## 8. Opportunities and risks

In fiscal year 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. The unpredictability of how the pandemic may play out represents a particular uncertainty factor at this time, as it renders unknowable how the economy may be further impacted, including effects from supply chain disruption. 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 September 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 at this time, as it renders unknowable how the economy may be further impacted, making reliable corporate earnings estimates impossible.

The spread of a novel coronavirus 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 of 2020. Economic activity resurged in the summer of 2020 as health policy measures were lifted around the world, releasing pent-up consumer spending. With lockdown being reimposed around the world in late 2020, abruptly halting the ongoing upturn, but by early 2021 economic recovery clearly resumed as these were gradually lifted. As more progress has been made with vaccination and infection numbers have continued to fall over the course of the year, the economy has gained further momentum. Going into the second autumn of the pandemic, countries in the northern hemisphere are seeing infection numbers rise again, although hospital overload has thus far been avoided thanks to high vaccination rates. Emerging-market nations will likely face an increasingly improved situation thanks to adequate vaccine dose availability. The most recent developments however have made clear that the global economy is subject to other disruptive risks besides the coronavirus. Investors around the world are concerned over market intervention by the Chinese government and the financial troubles of the Chinese real estate company Evergrande.

The persistent supply chain problems burdening the manufacturing sector will remain in place over the months ahead, which in combination with accelerating growth and consumer spending will give rise to inflationary pressures. Going into 2022 however inflation will likely slow significantly as certain one-time effects cease to play a role. Economists are projecting a global GDP increase of 5.6% for the year 2021.

The US economy peaked in the second quarter of 2021, leaving expectations for the summer unmet in terms of economic data. The impact of the huge investment stimulus programs launched by the US has subsided, which along with a resurgent infection rate is weighing on sentiment indicators. Rapidly rising consumer demand combined with the ongoing supply problems has significantly boosted inflation, in response to which the Fed will be tapering its bond buying activities. The US Federal Reserve is thus expected to move away from the ultra-expansive monetary policy it has pursued. Economists have revised their original growth forecast for the US from 6.5% down to 5.7%.

The first half of the year was marked by solid economic recovery, and most euro countries saw economic expansion continue at a brisk pace throughout the summer. The rebounding tourism and service sectors in southern Europe contributed further to growth. Economists have raised their growth forecast for 2021 to 4.9%, up from an original 4.6%.

Germany continues to enjoy economic momentum despite slowing since the second quarter. Supply chain problems caused a significant decline in sentiment regarding the German economy in September. Manufacturers were less satisfied with the present business situation than before, and have a skeptical attitude regarding the months ahead. In September the ifo business climate index fell to a value of 98.8, down from a seasonally adjusted 101.8 in the preceding quarter (seasonally adjusted). The service sector and retail are the key drivers of economic recovery this time. A certain optimism has returned, to tourism and hospitality above all, coming after the major negativity of recent months. Projected GDP growth for Germany remains unchanged at 2.8%, though downside risk has increased somewhat.

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. 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 September 30, 2021

ASSETS	09/30/2021	12/31/2020
<b>Non-current assets</b>		
Goodwill	2,419	2,419
Intangible assets	3,116	3,066
Property, plant and equipment	17,963	18,559
Right-of-use assets	11,142	12,330
Capitalized costs to fulfill a contract	7,887	5,720
Deferred tax assets	733	701
Total non-current assets	<b>43,260</b>	<b>42,795</b>
<b>Current assets</b>		
Inventories	75,175	52,029
Trade accounts receivable Including impairments (2021: 440; 2020: 605)	27,057	24,181
Contract assets	4,154	2,904
Tax receivables	1,218	705
Other current assets	4,685	1,019
Other current financial assets	2,582	2,664
Cash and cash equivalents	23,289	26,656
Total current assets	<b>138,160</b>	<b>110,158</b>
<b>Total assets</b>	<b>181,420</b>	<b>152,953</b>

All figures in KEUR

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>09/30/2021</b>	<b>12/31/2020</b>
<b>Shareholders' equity</b>		
Share capital no-par-value bearer shares (issued and outstanding: 3,526,182 as of 09/30/2021 and as of 12/31/2020)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	75,258	71,054
Other reserves	478	108
<b>Total shareholders' equity</b>	<b>110,434</b>	<b>105,860</b>
<b>Non-current liabilities</b>		
Pensions and non-current personnel liabilities	1,580	1,587
Non-current provisions	238	237
Non-current contract liabilities	6,099	4,381
Non-current lease liabilities	11,376	12,468
Deferred tax liabilities	693	803
<b>Total non-current liabilities</b>	<b>19,986</b>	<b>19,476</b>
<b>Current liabilities</b>		
Trade accounts payable	23,506	11,787
Current contract liabilities	229	374
Current lease liabilities	2,320	2,283
Taxes payable	1,436	1,291
Current provisions	1,272	1,130
Liabilities due to financial institutions	7,700	0
Other current liabilities	9,465	6,819
Other current financial liabilities	5,072	3,933
<b>Total current liabilities</b>	<b>51,000</b>	<b>27,617</b>
<b>Total liabilities</b>	<b>70,986</b>	<b>47,094</b>
<b>Total liabilities and shareholders' equity</b>	<b>181,420</b>	<b>152,953</b>

All figures in KEUR



## CONSOLIDATED STATEMENT OF INCOME

	07/01/ – 09/30/2021	07/01/ – 09/30/2020	01/01 – 09/30/2021	01/01 – 09/30/2020
Revenue	45,768	49,036	137,703	138,327
Cost of sales	(35,005)	(38,437)	(108,295)	(108,718)
<b>Gross margin</b>	<b>10,763</b>	<b>10,599</b>	<b>29,408</b>	<b>29,609</b>
Research and development expenses	(1,723)	(1,256)	(4,380)	(3,644)
Selling and general administrative expenses	(5,953)	(6,671)	(17,082)	(18,402)
Income from investments	0	97	0	97
<b>Earnings before interest and taxes (EBIT)</b>	<b>3,087</b>	<b>2,769</b>	<b>7,946</b>	<b>7,660</b>
Financial income	2	1	47	22
Financial expenses	(1,832)	(179)	(1,784)	(477)
<b>Earnings before taxes for the period</b>	<b>1,257</b>	<b>2,591</b>	<b>6,209</b>	<b>7,205</b>
Income tax expense	(292)	(878)	(1,582)	(2,329)
<b>Net income for the period</b>	<b>965</b>	<b>1,713</b>	<b>4,627</b>	<b>4,876</b>
Earnings per share – basic	0.26	0.48	1.31	1.38
Earnings per share – diluted	0.26	0.48	1.31	1.38
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 – 09/30/2021	01/01 – 09/30/2020
<b>Cash flows from operating activities</b>		
Net income for the period	4,627	4,876
<i>Non-cash expenses and income</i>		
Income tax expense	1,582	2,343
Depreciation, amortization and impairments	4,415	4,436
Provisions for bad debts	0	65
Gain from disposals of fixed assets	0	90
Net interest	378	455
Net loss from embedded derivatives measured at fair value through profit or loss	1,359	0
Other non-cash expenses and income	107	392
<i>Change in:</i>		
Inventories	(23,146)	(24,614)
Trade receivables and contract assets	(4,126)	3,568
Other assets	(4,260)	(758)
Trade accounts payable	11,716	6,791
Other liabilities and contract liabilities	2,841	(1,761)
Income taxes paid	(2,082)	(4,265)
<b>Cash flows from operating activities</b>	<b>(6,589)</b>	<b>(8,382)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposals of fixed assets	0	0
Capital expenditures with capitalizable development cost	(719)	(443)
Capital expenditures on other intangible assets and property, plant and equipment	(1,658)	(1,948)
<b>Cash flows from investing activities</b>	<b>(2,377)</b>	<b>(2,391)</b>
<b>Cash flows from financing activities</b>		
Outflows for the redemption portion of lease liabilities	(1,437)	(1,198)
Cash inflows from current financial liabilities (+)	7,700	14,000
Cash outflows from current financial liabilities (-)	0	(8,200)
Dividend paid	(423)	(423)
Interest received (+) / paid (-) (net)	(378)	(449)
Other financing activities	6	(56)
<b>Cash flows from financing activities</b>	<b>5,468</b>	<b>(1,462)</b>
Effects of exchange rate movements on cash & cash equivalents	131	21
<b>Net change in cash and cash equivalents</b>	<b>(3,367)</b>	<b>(7,078)</b>
Cash and cash equivalents at beginning of the fiscal year	26,656	26,421
<b>Cash and cash equivalents at end of the quarter</b>	<b>23,289</b>	<b>19,343</b>

## 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				4,876		4,876
Dividend				(423)		(423)
Foreign currency translation					(644)	(644)
<b>BALANCE AS OF</b>						
<b>09/30/2020</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>68,447</b>	<b>263</b>	<b>103,408</b>
BALANCE AS OF						
01/01/2021	3,526,182	10,579	24,119	71,054	108	105,860
Net income for the period				4,627		4,627
Dividend				(423)		(423)
Foreign currency translation					370	370
<b>BALANCE AS OF</b>						
<b>09/30/2021</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>75,258</b>	<b>478</b>	<b>110,434</b>

All figures in KEUR, except number of shares.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	07/01/ – 09/30/2021	07/01/ – 09/30/2020	01/01 – 09/30/2021	01/01 – 09/30/2020
Net income for the period	965	1,713	4,627	4,876
<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>	98	(435)	370	(644)
Comprehensive income after tax	1,063	1,278	4,997	4,232

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 Quarterly Report dated September 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 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 2022

<b>2021 Annual Report</b>	<b>March 2022</b>
<b>Financial statements press conference</b>	<b>March 2022</b>
<b>Quarterly financial report dated March 31, 2022</b>	<b>May 2022</b>
<b>Half-year financial report dated June 30, 2022</b>	<b>August 2022</b>
<b>Quarterly financial report dated September 30, 2022</b>	<b>November 2022</b>