

# DATA MODUL

QUARTERLY REPORT  
AS OF MARCH 31, 2022



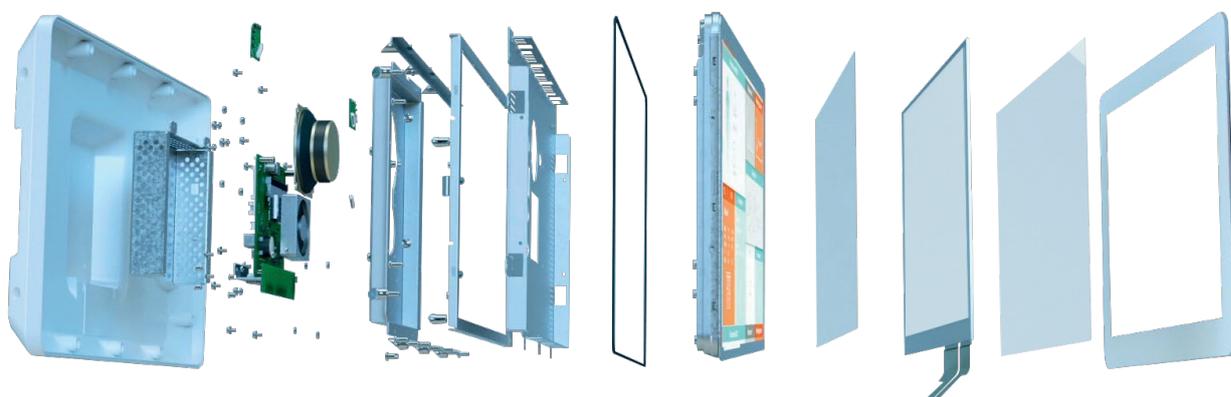
*Dear shareholders,*

*DATA MODUL finished out the first quarter of 2022 with very good results despite the major revision of economic recovery figures following the outbreak of the war between Russia and Ukraine.*

*New order volume rose 8.9% year-over-year for the first quarter to 68.6 million euros (previous year: 63.0 million euros). Revenue rose 31.7% year-over-year to 63.3 million euros for the first quarter of 2022 (previous year: 48.0 million euros).*

*In line with rising operating profit, EBIT also rose by a substantial 36.7% year-over-year to 4.2 million euros for the first quarter of 2022 (previous year: 3.1 million euros) for an EBIT margin of 6.6% (previous year: 6.4%). Net income for the period ended March 31, 2022 likewise rose year-over-year to 3.3 million euros (previous year: 1.9 million euros).*

*With orders received remaining at a high level, we continue to anticipate good results for fiscal year 2022. The economic outlook remains clouded by great uncertainty however, due to geopolitical conflicts, mainly the conflagration between Russia and Ukraine, backed by its Western allies. DATA MODUL is confident nonetheless regarding our earnings targets because of our commitment to systematically executing on our long-term strategy program, enabling us to deal effectively with adverse economic conditions, even in times of crisis.*



# INTERIM GROUP MANAGEMENT REPORT

## 1. General economic conditions

With the year off to a good start with the lifting of pandemic containment measures, the world was then rocked by the Russia-Ukraine war, which has dramatically changed the situation in Europe. As Russia and Ukraine are both important suppliers of raw materials, the war between them is having global economic consequences in the form of rising commodity prices, creating inflationary pressure. Far-reaching sanctions imposed against Russia are thus burdening the larger world economy in addition to the warring parties themselves. Europe is feeling the most impact from refugee flows and supply chain disruptions due to production breakdowns. Facing a dilemma, the ECB is not prepared to take measures to support the economy despite stagnation in the interest of achieving its targeted medium-term inflation rate of 2.0%. The eurozone is thus in a cycle of stagflation. China's pandemic policy, requiring regional lockdowns, could pose another major risk to the global economy, which remains subject to a high level of uncertainty, as the lifting of Covid restrictions and associated economic recovery may be delayed.

After a promising start to the year with pandemic restrictions being lifted, expectations of economic recovery in Germany have had to be dramatically revised due to the war in Ukraine. In their spring reports, leading economic research institutes have noted signals of a mood change. The outbreak of war caused the ifo business climate index to fall to a level of 90.8 in March, as compared to 98.7 in February (seasonally adjusted). Sentiment regarding the next few months stabilized at a low level in April, but the German economy is demonstrating resilience after shock at the initial Russian assault. DATA MODUL is confident regarding the outlook for 2022, anticipating beneficial effects from the worldwide digitalization trend, which has been accelerated by the pandemic.

## 2. Key figures

in KEUR	01/01 - 03/31/2022	01/01 - 03/31/2021	Change
Total revenue	63,266	48,023	31.7%
Displays	39,326	28,559	37.7%
Systems	23,940	19,464	23.0%
Orders received	68,587	62,997	8.9%
EBIT <sup>1)</sup>	4,193	3,068	36.7%
EBIT margin <sup>2)</sup>	6.6%	6.4%	3.7%
Net income for the period	3,312	1,932	71.5%
Capital expenditure <sup>3)</sup>	577	827	-30.2%
Employees <sup>4)</sup>	491	470	4.5%
Earnings per share (in euros)	0.94	0.55	71.5%
Outstanding shares – Basic	3,526,182	3,526,182	0.0%

1) **EBIT:** Earnings before interest and taxes

2) **EBIT margin:** Ratio of EBIT to sales

3) **Capital expenditure:** Capital expenditures on 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 63,266 thousand euros for the first three months of the current fiscal year (previous year: 48,023 thousand euros), up 31.7% year-over-year for the quarter. The Displays business segment recorded revenue of 39,326 thousand euros for the first quarter (previous year: 28,559 thousand euros), while 23,940 thousand euros were recorded for the Systems business segment (previous year: 19,464 thousand euros). Orders received rose 8.9% for the Group versus the same quarter last year to 68,587 thousand euros (previous year: 62,997 thousand euros). Further efforts to increase international business have been successful, reflected in the export rate rising to 53.7% for the first three months of 2022 (previous year: 47.3%).

### 4. Earnings

The economic environment for DATA MODUL remains troubled, as recovery expectations have been sharply revised since the outbreak of the Russia-Ukraine war, which has opened up major economic uncertainty regarding both the short and longer term. The Company posted very good results however for the first quarter of 2022. The Company recorded EBIT of 4,193 thousand euros for the first three months of this year (previous year: 3,068 thousand euros), for an EBIT margin of 6.6% (previous year: 6.4%). The Displays business segment recorded EBIT of 1,426 thousand euros for the period (previous year: 882 thousand euros), while the Systems business segment recorded EBIT of 2,767 thousand euros (previous year: 2,186 thousand euros). DATA MODUL recorded net income of 3,312 thousand euros for the period ended March 31, 2022, representing a major 71.5% year-over-year increase (previous year: 1,932 thousand euros), for earnings per share of 0.94 euros (previous year: 0.55 euros). 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 870 thousand euros (previous year: net loss of 145 thousand euros).

### 5. Balance sheet

The balance sheet total has increased by 23,482 thousand euros since year-end to 212,322 thousand euros (December 31, 2021: 188,840 thousand). On the assets side this increase 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 liabilities due to financial institutions, higher trade payables and increased equity from the profit carried forward for 2021.

Cash flow from operating activities came to -11,771 thousand euros as of March 31, 2022 (previous year: 2,243 thousand euros). This was primarily due to inventories, which increased significantly year-over-year for the quarter, and to higher trade payables. Cash flow from investing activities came to -577 thousand euros for the first three months of 2022, reflecting investments in intangible assets and property, plant and equipment (previous year: -827 thousand euros). Factoring in new borrowings, cash flow from financing activities for the first quarter of 2022 came to 9,338 thousand euros (previous year: -742 thousand euros). At the reporting date the Group held 17,217 thousand euros in cash and cash equivalents (December 31, 2021: 20,224 thousand euros).

As of March 31, 2022 DATA MODUL had an equity ratio of 55.3% (December 31, 2021: 60.3%). The Group thus remains very solid financially, having sufficient liquidity.

### 6. Investments

Investments totaling 577 thousand euros were made in the first three months of the year in intangible assets and property, plant and equipment (previous year: 827 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. Employees**

The Group had 491 employees as of March 31, 2021 (previous year: 470).

## **8. Opportunities and risks**

In fiscal year 2022 DATA MODUL is staying focused on growth in its core Displays and Systems business segments. Risks which may have a lasting impact on our business include global economic trends, huge impact from public health measures taken to contain the coronavirus pandemic, exchange rate movements, rising commodity and energy prices and uncertainties regarding customer ordering behavior. 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 not aware of any significant events that have occurred after the reporting date March 31, 2022, which would have had a major influence or impact on the Group's financial position, financial performance and/or cash flows.

## **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 geopolitical conflict between Russia and Ukraine, backed by Western allies, is creating extraordinary uncertainty currently, particularly given the existing supply chain problems caused by the coronavirus pandemic.

The year was starting out on the right note with the lifting of pandemic-related public health measures, but the war in Ukraine has slowed the global economy while worsening already considerable inflationary pressures. The far-reaching sanctions against Russia are affecting the global economy, and Europe is feeling the most impact from refugee flows and supply chain disruptions due to production breakdowns, suffering stagflation. The ECB is not prepared to take measures to support the stagnating economy in the interest of achieving its targeted medium-term inflation rate of 2.0%. China's pandemic policy, requiring regional lockdowns, could pose another major risk to the global economy, as extended lockdowns in Shanghai and other economic hubs are undermining growth and further threatening already weakened supply chains. The global economy remains subject to a high level of uncertainty, as the lifting of Covid restrictions and associated recovery may be delayed.

The US economy is still quite robust despite the Ukraine crisis, but rising commodity prices are fueling inflation there as well, hampering growth. The US Federal Reserve Bank is raising interest rates, moving away from its formerly ultra-loose monetary policy. As the economy cools off however, the Fed's interest rate policy will likely become subject to increasing debate. Leading economic research institutes are revising their 2022 GDP forecast down to 3.3% from a previous 3.8% for the US.

Europe is feeling the most impact from refugee flows and supply chain disruptions due to production breakdowns, and will also be shouldering most of the war materiel and rebuilding costs. Supply bottlenecks and inflationary pressure have returned to the forefront as issues, but in contrast to its past coronavirus response, this time the ECB is unwilling to take measures to support the stagnating economy. Economists have slashed their previous growth forecast of 3.7% for the eurozone down to 1.8% for 2022.

After a promising start to the year with pandemic restrictions being lifted, expectations of economic recovery in Germany have had to be dramatically revised because of the war in Ukraine. Supply chain problems and high input and energy prices have further worsened, sending inflation up to a projected 7.1% for 2022. The outbreak of war caused the ifo business climate index to fall to a level of 90.8 in March, as compared to 98.7 in February (seasonally adjusted). The German economy is demonstrating resilience however after shock at the initial Russian assault. In view of negative impact from the war, including sanctions, the GDP forecast has been cut to 1.3% from a previous 2.7% for 2022.

Like other enterprises, DATA MODUL is affected by the challenging market environment, characterized by tremendous uncertainty surrounding the war in Ukraine and its deleterious economic effects. 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 present orders situation, the Executive Board anticipates good results for fiscal year 2022.

#### **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 2022

ASSETS	03/31/2022	12/31/2021
<b>Non-current assets</b>		
Goodwill	2,419	2,419
Intangible assets	3,096	3,042
Property, plant and equipment	17,220	17,689
Right-of-use assets	10,429	10,864
Capitalized costs to fulfill a contract	9,353	8,516
Deferred tax assets	721	710
Total non-current assets	<b>43,238</b>	<b>43,240</b>
<b>Current assets</b>		
Inventories	103,334	86,702
Trade accounts receivable Including write-downs (2022: 445; 2021: 422)	37,176	29,202
Contract assets	4,442	3,239
Tax receivables	330	574
Other current assets	5,596	3,742
Other current financial assets	989	1,917
Cash and cash equivalents	17,217	20,224
Total current assets	<b>169,084</b>	<b>145,600</b>
<b>Total assets</b>	<b>212,322</b>	<b>188,840</b>

All figures in KEUR

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
<b>Shareholders' equity</b>		
Share capital no-par value bearer shares (issued and outstanding: 3,526,182 as of 03/31/2022 and 12/31/2021)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	81,825	78,513
Other reserves	812	722
<b>Total shareholders' equity</b>	<b>117,335</b>	<b>113,933</b>
<b>Non-current liabilities</b>		
Pensions and non-current personnel liabilities	1,482	1,482
Non-current provisions	184	171
Non-current contract liabilities	7,203	6,884
Non-current lease liabilities	10,665	11,045
Deferred tax liabilities	1,280	889
<b>Total non-current liabilities</b>	<b>20,814</b>	<b>20,471</b>
<b>Current liabilities</b>		
Trade accounts payable	26,642	20,953
Current contract liabilities	239	232
Current lease liabilities	2,331	2,335
Taxes payable	2,230	1,628
Current provisions	2,080	1,054
Liabilities due to financial institutions	25,000	15,000
Other current liabilities	13,189	9,133
Other current financial liabilities	2,462	4,101
<b>Total current liabilities</b>	<b>74,173</b>	<b>54,436</b>
<b>Total liabilities</b>	<b>94,987</b>	<b>74,907</b>
<b>Total liabilities and shareholders' equity</b>	<b>212,322</b>	<b>188,840</b>

All figures in KEUR

## CONSOLIDATED STATEMENT OF INCOME

	01/01 – 03/31/2022	01/01 – 03/31/2021
Revenue	63,266	48,023
Cost of sales	(49,964)	(38,218)
<b>Gross margin</b>	<b>13,302</b>	<b>9,805</b>
Research and development expenses	(1,574)	(1,254)
Selling and general administrative expenses	(7,535)	(5,483)
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,193</b>	<b>3,068</b>
Financial income	871	791
Financial expense	(154)	(1,062)
<b>Earnings before taxes for the period</b>	<b>4,910</b>	<b>2,797</b>
Income tax expense	(1,598)	(865)
<b>Net income for the period</b>	<b>3,312</b>	<b>1,932</b>
Earnings per share – undiluted	0.94	0.55
Earnings per share – diluted	0.94	0.55
Weighted average number of shares outstanding – undiluted	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 no. shares outstanding

## CONSOLIDATED STATEMENT OF CASH FLOWS

	01/01 – 03/31/2022	01/01 – 03/31/2021
<b>Cash flows from operating activities</b>		
Net income for the period	3,312	1,932
<i>Non-cash expenses and income</i>		
Income tax expense	1,597	868
Depreciation/amortization and impairments	1,462	1,490
Provisions for bad debts	0	(48)
Net interest	153	272
Net loss (+)/gain (-) from embedded derivatives measured at fair value through profit or loss	(870)	145
Other non-cash expenses and income	84	127
Changes:		
Inventories	(16,626)	(4,350)
Trade receivables and contract assets	(10,029)	(6,648)
Other assets	(671)	(512)
Trade accounts payable	5,694	10,283
Other liabilities and contract liabilities	4,496	(532)
Income taxes paid	(373)	(784)
<b>Cash flows from operating activities</b>	<b>(11,771)</b>	<b>2,243</b>
<b>Cash flows from investing activities</b>		
Capital expenditures with capitalizable development cost	(77)	(219)
Capital expenditures on other intangible assets and property, plant and equipment	(500)	(608)
<b>Cash flows from investing activities</b>	<b>(577)</b>	<b>(827)</b>
<b>Cash flows from financing activities</b>		
Outflows for the redemption portion of lease liabilities	(509)	(473)
Cash inflows from current financial liabilities (+)	10,000	0
Interest received (+) / paid (-) (net)	(153)	(271)
Other financing activities	0	2
<b>Cash flows from financing activities</b>	<b>9,338</b>	<b>(742)</b>
Effects of exchange rate movements on cash & cash equivalents	3	57
<b>Net change in cash and cash equivalents</b>	<b>(3,007)</b>	<b>731</b>
Cash and cash equivalents at beginning of the fiscal year	20,224	26,655
<b>Cash and cash equivalents at end of the quarter</b>	<b>17,217</b>	<b>27,386</b>

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				1,931		1,931
Foreign currency translation					272	272
<b>BALANCE AS OF 03/31/2021</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>72,985</b>	<b>380</b>	<b>108,063</b>
BALANCE AS OF 01/01/2022	3,526,182	10,579	24,119	78,513	722	113,933
Net income for the period				3,312		3,312
Foreign currency translation					90	90
<b>BALANCE AS OF 03/31/2022</b>	<b>3,526,182</b>	<b>10,579</b>	<b>24,119</b>	<b>81,825</b>	<b>812</b>	<b>117,335</b>

All figures in KEUR except number of shares

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01/01 – 03/31/2022	01/01 – 03/31/2021
Net income for the period	3,312	1,932
<i>Other comprehensive income to be reclassified to profit/loss in subsequent reporting periods</i>		
Adjustments from currency translation of Subsidiaries	90	272
Comprehensive income after tax	3,402	2,204

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, 2021.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2021 were applied in preparing this Consolidated Quarterly Report dated March 31, 2022. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The IFRS standards newly adopted in fiscal year 2021 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 2022

<b>Annual Shareholders' Meeting</b>	<b>May 10, 2022</b>
<b>Half-year financial report dated June 30, 2022</b>	<b>August 5, 2022</b>
<b>Quarterly financial report dated September 30, 2022</b>	<b>November 4, 2022</b>