

DATA MODUL

Quarterly report as of
September 30, 2024



Passion Displayed

Dear Shareholders,

DATA MODUL was unable to sustain the high level of revenue and earnings in the third quarter that the company recorded one year ago, due to deteriorating economic circumstances, particularly in Germany.

Orders received in the third quarter of 2024 totaled 49.1 million euros in value, representing a 20.0% decline year-over-year (previous year: 61.3 million euros). Orders received in the first nine months of the year were 28.8% lower versus the same period in 2023 at a value of 149.1 million euros (previous year: 209.5 million euros). Revenue fell 20.5% versus the third quarter of 2023 to 57.7 million euros (previous year: 72.7 million euros). Revenue for the first nine months of 2024 came to 172.3 million euros, 18.7% lower year-over-year (previous year: 211.8 million euros).

The general increase in cost levels combined with adverse exchange rate movements caused EBIT to fall 69.1% for the third quarter of 2024 to 2.1 million euros (previous year: 6.8 million euros), for an EBIT margin of 3.6% (previous year: 9.3%). As of the reporting date, EBIT had declined 55.7% to 7.7 million euros (previous year: 17.3 million euros), narrowing EBIT margin to 4.5% (previous year: 8.2%). Net income for the third quarter of 2024 fell 70.0% year-over-year to 1.5 million euros (previous year: 4.9 million euros). Net income declined to 5.1 million euros as of September 30, 2024, down 57.5% year-over-year (previous year: 12.0 million euros).

Troubled general economic conditions negatively impacted DATA MODUL's business in 2024. 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

The third quarter of 2024 saw weak US employment figures, raising concerns over a possible recession, and this took a lot of steam out of the financial markets in August. The Fed cut interest rates in September by 50 basis points, in line with expectations. In Europe, the ECB followed suit with a 25 basis point rate cut in both September and October, as inflation fell back to below 2%, currently. The EU is seeing even more political instability, with France in a protracted battle to form a government and composition of the EU Commission becoming a forefront issue - initial state elections in Germany have indicated that there may be an inability to govern.

The mood remains poor concerning the German economy, In September the ifo business climate index declined to a value of 85.4, down from 86.6 in August; this represents the fourth decline in a row. German enterprises were again less satisfied with the current state of business, thus the German economy is under increasing pressure. Even as the global economic environment remains challenging, DATA MODUL will be responding resolutely to these trends.

2. Key figures

	07/01 - 09/30/2024	07/01 - 09/30/2023	Change	01/01/ - 09/30/2024	01/01/ - 09/30/2023	Change
Total revenue	57,744	72,676	-20.5%	172,269	211,794	-18.7%
Displays	34,892	45,839	-23.9%	104,324	134,727	-22.6%
Systems	22,851	26,837	-14.9%	67,945	77,067	-11.8%
Orders received	49,065	61,312	-20.0%	149,136	209,487	-28.8%
Order backlog	139,174	194,060	-28.3%	139,174	194,060	-28.3%
EBIT ¹⁾	2,095	6,775	-69.1%	7,682	17,342	-55.7%
EBIT margin ²⁾	3.6%	9.3%	-61.3%	4.5%	8.2%	-45.1%
Net income for the period	1,471	4,901	-70.0%	5,105	12,008	-57.5%
Capital expenditure ³⁾	621	1,139	-45.5%	2,607	3,553	-26.7%
Employees ⁴⁾	533	547	-2.6%	533	547	-2.6%
Earnings per share (in euros)	0.42	1.39	-70.0%	1.45	3.41	-57.5%
Number of shares outstanding	3,526,182	3,526,182	0.0%	3,526,182	3,526,182	0.0%

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

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

3) **Capital expenditure:** Investments in intangible assets and property, plant and equipment

4) **Employees:** Number of employees as of the reporting date

All figures in KEUR except for number of employees, earnings per share and number of shares

3. Business results

DATA MODUL recorded revenue of 57,744 thousand euros for the third quarter of 2024 (previous year: 72,676 thousand euros), down 20.5% year-over-year. In the nine-months view, revenue fell 18.7% year-over-year from 211,794 thousand euros to 172,269 thousand euros in 2024. The Displays business segment recorded revenue of 34,892 thousand euros in the third quarter of 2024 (previous year: 45,839 thousand euros), while the Systems business segment recorded revenue of 22,851 thousand euros (previous year: 26,837 thousand euros). Orders received fell 20.0% for the Group versus the third quarter of last year to 49,065 thousand euros (previous year: 61,312 thousand euros). International revenue remained at a high level thanks to the Company's persistent strategic internationalization efforts; the export rate increased somewhat to 54.6% (previous year: 51.9%).

4. Earnings

The economic environment for DATA MODUL remains troubled amid a stagnating global economy and declining revenue across nearly all industries and regions. EBIT of 2,095 thousand euros was recorded for the third quarter of 2024 (previous year: 6,775 thousand euros). This resulted in EBIT margin narrowing to 3.6% (previous year: 9.3%). For the period January 1 to September 30, 2024 EBIT declined 55.7% to 7,682 thousand euros (previous year: 17,342 thousand euros) for an EBIT margin of 4.5% (previous year 8.2%). The Displays business segment recorded EBIT of -393 thousand euros (previous year: 8,737 thousand euros), while the Systems business segment recorded EBIT of 8,075 thousand euros (previous year: 8,605 thousand euros). Net income of 1,471 thousand euros was recorded for the third quarter of 2024 (previous year: 4,901 thousand euros). The year-to-date income recorded as of September 30, 2024 of 5,105 thousand euros represents a 57.5% decrease year-over-year (previous year: 12,008 thousand euros), yielding earnings per share of 1.45 euros (previous year: 3.41 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. A net gain of 256 thousand euros was recorded from these embedded derivatives (previous year: net gain of 982 thousand euros).

5. Balance sheet

The balance sheet total has decreased by 11,844 thousand euros since year-end to 207,371 thousand euros (December 31, 2023: 219,215 thousand euros). On the assets side of the balance sheet, this decline is due principally to decreased inventories and trade receivables, offset in part by increased cash holdings. On the liabilities and equity side, the decrease was primarily due to lower trade payables and liabilities due to financial institutions, with an offsetting increase in equity from 2023 profit carried forward.

Cash flow from operating activities came to 17,742 thousand euros as of September 30, 2024 (previous year: 3,008 thousand euros). This was mainly due to decreased inventories and trade receivables. Investments in intangible assets and in property, plant and equipment in the first nine months of the year resulted in cash flows from investing activities of -2,539 thousand euros (previous year: -3,553 thousand euros). The redemption of liabilities due to financial institutions, cash outflows for leases and interest expenses and the dividend distribution for fiscal year 2023 resulted in cash flows from financing activities of -11,060 thousand euros (previous year: -4,333 thousand euros). At the reporting date the Group held 18,406 thousand euros in cash and cash equivalents (December 31, 2023: 14,324 thousand euros).

At the end of Q3 2024 DATA MODUL recorded an increased equity ratio of 72.5% (December 31, 2023: 66.4%). The Group thus remains solid financially, having sufficient liquidity.

6. Capital expenditure

Capital expenditure in the first nine months of 2024 totaled 2,607 thousand euros (previous year: 3,553 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) and Lublin (Poland). We will furthermore continue investing in research and development to ensure that we remain competitive as an enterprise.

7. Number of employees

The Group had 533 employees as of September 30, 2024 (previous year: 547).

8. Opportunities and risks

In fiscal 2024 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. 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 2023.

9. Events after the reporting period

We are unaware of any significant events that have occurred after the reporting date September 30, 2024 which would have had a major influence or impact on the Group's earnings or balance sheet.

10. Forecast

The statements made in the following regarding future business results of DATA MODUL Group and assumptions regarding market and industry trends deemed material in relation thereto are based on opinions which we believe are realistic at this time given the information available. However, these assumptions and assessments are subject to uncertainty and involve an inevitable risk that projected developments may not actually occur, with respect to either their direction or extent.

The global economy continues to show weakness, although inflation is falling. A Trump win in the US presidential elections in November still seems realistic, which would increase inflationary pressure given the threat of a worldwide tariff war. For that could directly alter major central banks' plans to ease interest rates. For 2025, year-over-year growth of 2.4% is projected for the global economy.

Weakening US employment was an initial warning signal, which led to the Fed reversing course and cutting rates by 50 basis points in September, among other steps. Market watchers expect further 25 basis points interest rate cuts before the end of the year, in November and December. Weakening employment figures could be a negative indicator for the US economy for the second half of the year. If Donald Trump wins the November election, this economic downturn could play out against a backdrop of heightened uncertainty around tariffs. Robust wage growth and falling oil prices however have continued to boost consumer spending, and GDP growth of 1.4% is projected for 2025.

In Europe, the service sector has been surging, and will likely remain vibrant throughout the remainder of the year. This service sector dominance and current wage levels have directly stimulated EU inflation. This effect is mitigated however by low energy prices, thus market watchers are looking for another 25 basis point rate cut in December. Economists have reiterated their economic growth forecast of 1.0% for the euro area for 2025.

Looking at the German economy at the end of three quarters, the picture is sobering, with both consumer spending and capital expenditure declining amid several indicators of continuing economic weakness. The continuing decline in inflation is providing the only possible stimulus to consumer spending in the short run, although manufacturing orders appear to be slowly recovering. Despite those factors, targeted political stimuli and foreign demand could become key drivers for manufacturing to stage a recovery in the near future. In view of the above, economists have lowered their GDP growth forecast for 2025 from 0.8% to 0.5%.

Given the major global uncertainties currently existing, DATA MODUL too faces a challenging market environment. Nonetheless, the Group intends to continue systematically executing on its long-term strategy program as a successful path to follow throughout both good and bad times for the economy. Given the current level of orders and how business has been going, the Executive Board expects the Company's key figures for fiscal year 2024 to fall within the range per the revised estimates announced on October 18, 2024.

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, 2024

ASSETS	09/30/2024	12/31/2023
Non-current assets		
Goodwill	2,419	2,419
Intangible assets	2,855	2,540
Property, plant and equipment	21,724	22,892
Right-of-use assets	14,718	15,581
Capitalized costs to fulfill a contract	7,812	9,136
Deferred tax assets	684	627
Total non-current assets	50,212	53,195
Current assets		
Inventories	95,298	100,215
Trade accounts receivable including impairments (2024: 406; 2023: 190)	29,921	41,057
Contract assets	4,024	3,145
Tax receivables	2,499	643
Other current assets	5,618	4,149
Other current financial assets	1,393	2,487
Cash and cash equivalents	18,406	14,324
Total current assets	157,159	166,020
Total assets	207,371	219,215

All figures in KEUR

LIABILITIES AND SHAREHOLDERS' EQUITY	09/30/2024	12/31/2023
Shareholders' equity		
Share capital no-par-value bearer shares (shares issued and outstanding: 3,526,182 as of September 30, 2024 and December 31, 2023)	10,579	10,579
Capital reserves	24,119	24,119
Retained earnings	114,589	109,957
Other reserves	1,080	981
Total shareholders' equity	150,367	145,636
Non-current liabilities		
Pensions and non-current personnel liabilities	1,129	1,119
Non-current provisions	214	252
Non-current contract liabilities	6,151	7,290
Non-current lease liabilities	14,131	14,802
Deferred tax liabilities	1,444	1,334
Total non-current liabilities	23,069	24,797
Current liabilities		
Trade accounts payable	14,598	20,956
Current contract liabilities	206	150
Current lease liabilities	2,975	3,082
Taxes payable	4,465	3,735
Current provisions	1,442	1,614
Liabilities due to financial institutions	3	8,032
Other current liabilities	8,040	7,906
Other current financial liabilities	2,206	3,307
Total current liabilities	33,935	48,782
Total liabilities	57,004	73,579
Total liabilities and shareholders' equity	207,371	219,215

All figures in KEUR

Consolidated Statement of Income

	07/01/ – 09/30/2024	07/01/ – 09/30/2023	01/01/ – 09/30/2024	01/01/ – 09/30/2023
Revenue	57,744	72,676	172,269	211,794
Cost of sales	(47,260)	(56,713)	(139,646)	(167,149)
Gross margin	10,484	15,963	32,623	44,645
Research and development expenses	(1,478)	(1,735)	(4,808)	(5,579)
Selling and general administrative expenses	(6,911)	(7,453)	(20,133)	(21,724)
Earnings before interest and taxes (EBIT)	2,095	6,775	7,682	17,342
Financial income	401	917	410	990
Financial expense	(300)	(484)	(1,154)	(1,340)
Earnings before taxes for the period	2,196	7,208	6,938	16,992
Income tax expense	(726)	(2,307)	(1,833)	(4,984)
Net income for the period	1,471	4,901	5,105	12,008
Earnings per share – basic	0.42	1.39	1.45	3.41
Earnings per share – diluted	0.42	1.39	1.45	3.41
Weighted average number of shares outstanding – basic	3,526,182	3,526,182	3,526,182	3,526,182
Weighted average number of shares outstanding – diluted	3,526,182	3,526,182	3,526,182	3,526,182

All figures in KEUR except earnings per share and weighted average no. shares outstanding

Consolidated Statement of Cash Flows

	01/01/ – 09/30/2024	01/01/ – 09/30/2023
Cash flows from operating activities		
Net income for the period	5,105	12,008
<i>Non-cash expenses and income</i>		
Income tax expense	1,833	4,984
Depreciation/amortization and impairments	5,377	4,438
Provisions for bad debts	383	115
Net interest	1,000	1,331
Net loss from embedded derivatives measured at fair value through profit or loss	(256)	(982)
Other non-cash expenses and income	(208)	(118)
<i>Changes:</i>		
Change in inventories	4,917	(1,506)
Change in trade receivables, costs to fulfill a contract and contract assets	11,199	(5,757)
Change in other assets	(2,043)	3,680
Change in trade payables	(6,313)	(757)
Other liabilities and contract liabilities	(284)	(8,077)
Income taxes paid	(2,968)	(6,351)
Cash flows from operating activities	17,742	3,008
Cash flows from investing activities		
Proceeds from disposals of fixed assets	69	0
Capital expenditures with capitalizable development cost	(326)	(229)
Capital expenditures on other intangible assets and property, plant and equipment	(2,282)	(3,324)
Cash flows from investing activities	(2,539)	(3,553)
Cash flows from financing activities		
Outflows for the redemption portion of lease liabilities	(1,646)	(1,383)
Cash inflows from current financial liabilities (+)	2,002	19,569
Cash outflows for current financial liabilities (-)	(10,032)	(21,000)
Dividends paid	(423)	(423)
Interest received (+) / paid (-) (net)	(1,000)	(1,331)
Other financing activities	39	235
Cash flows from financing activities	(11,060)	(4,333)
Effects of exchange rate movements on cash & cash equivalents	(61)	(55)
Net change in cash and cash equivalents	4,082	(4,933)
Cash and cash equivalents at beginning of the fiscal year	14,324	15,669
Cash and cash equivalents at end of the quarter	18,406	10,736

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 01/01/2023	3,526,182	10,579	24,119	96,165	917	131,780
Net income for the period				12,008		12,008
Dividend				(423)		(423)
Other comprehensive income (loss)				49		49
Foreign currency translation					81	81
BALANCE AS OF 09/30/2023	3,526,182	10,579	24,119	107,799	998	143,495
BALANCE AS OF 01/01/2024	3,526,182	10,579	24,119	109,957	981	145,636
Net income for the period				5,105		5,105
Dividend				(423)		(423)
Other comprehensive income (loss)				(50)		(50)
Foreign currency translation					99	99
BALANCE AS OF 09/30/2024	3,526,182	10,579	24,119	114,589	1,080	150,367

All figures in KEUR, except number of shares.

Consolidated Statement of Comprehensive Income

	07/01/ – 09/30/2024	07/01/ – 09/30/2023	01/01/ – 09/30/2024	01/01/ – 09/30/2023
Net income for the period	1,471	4,901	5,105	12,008
<i>Other comprehensive income (loss) to be reclassified to profit/loss in subsequent reporting periods</i>				
Adjustments from currency translation of foreign subsidiary results	-97	16	99	81
Adjustments from currency translation of a net investment in a foreign operation	(191)	(50)	(50)	49
Comprehensive income after tax	1,183	4,867	5,154	12,138

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, 2023.

The same recognition and measurement methods applied to prepare the Consolidated Financial Statements dated December 31, 2023 were applied in preparing this abbreviated Consolidated Quarterly Report dated September 30, 2024. These interim Consolidated Financial Statements have been prepared in accordance with IAS 34 – Interim Reporting. The new IFRS rules applicable in fiscal year 2024 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.

DATA MODUL Aktiengesellschaft

Landsberger Str. 322

80687 Munich

Tel. +49 (0)89 560 17-0

Fax +49 (0)89 560 17-119

www.data-modul.com

FINANCIAL CALENDAR 2025

2024 Annual Report	March 2025
Press conference on the Statement of Financial Position	March 2025
Quarterly report dated March 31, 2025	May 2025
Half-year financial report dated June 30, 2025	August 2025
Quarterly Report dated September 30, 2025	November 2025