

Parade Technologies, Ltd. and Subsidiaries.

The reader is advised that these consolidated financial statements have been prepared originally in NT\$ and conformed with the adoption of IFRSs. In the event of any differences between NT\$ and US\$ version, the NT\$ version shall prevail.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	USD in Thousands				NTD in Thousands			
	Sequential Quarter		Three Months ended		Sequential Quarter		Three Months ended	
	Mar 31, 2019	Dec 31, 2018	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Dec 31, 2018	Mar 31, 2019	Mar 31, 2018
Revenue	93,720	101,242	93,720	80,653	2,889,378	3,123,334	2,889,378	2,363,141
Cost of goods sold	54,478	58,816	54,478	47,715	1,679,571	1,814,490	1,679,571	1,398,037
Gross profit	39,242	42,426	39,242	32,939	1,209,807	1,308,844	1,209,807	965,104
Research & development expenses	12,787	12,693	12,787	12,202	394,207	391,583	394,207	357,526
Sales & marketing expenses	4,535	4,173	4,535	4,126	139,814	128,748	139,814	120,892
General & administrative expenses	3,100	2,989	3,100	2,752	95,577	92,202	95,577	80,621
Total operating expenses	20,422	19,855	20,422	19,080	629,598	612,533	629,598	559,039
Operating income	18,820	22,571	18,820	13,859	580,209	696,311	580,209	406,065
Non-operating income and expenses	525	236	525	(58)	16,201	7,277	16,201	(1,700)
Income before income taxes	19,345	22,807	19,345	13,800	596,410	703,588	596,410	404,365
Income tax expense (benefit)	755	365	755	(10)	23,273	11,248	23,273	(283)
Net income	18,590	22,442	18,590	13,810	573,137	692,340	573,137	404,648
EPS - Basic (In Dollar)	\$0.24	\$0.29	\$0.24	\$0.18	\$7.42	\$9.01	\$7.42	\$5.30
Shares used in computing EPS-Basic (In thousands)	77,228	76,822	77,228	76,287	77,228	76,822	77,228	76,287
EPS - Diluted (In Dollar)	\$0.23	\$0.28	\$0.23	\$0.17	\$7.13	\$8.66	\$7.13	\$5.08
Shares used in computing EPS-Diluted (In thousands)	80,332	79,965	80,332	79,653	80,332	79,965	80,332	79,653

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Current assets				
Cash & cash equivalents	203,678	157,611	6,277,354	4,588,044
Accounts receivable, net	51,892	53,763	1,599,309	1,565,045
Inventories, net	35,399	42,948	1,090,995	1,250,218
Other current assets	15,819	12,434	487,547	361,965
Total current assets	306,788	266,756	9,455,205	7,765,272
Non-current assets				
Property, plant and equipment, net	10,047	8,558	309,639	249,114
Right-of-use assets	6,590	-	203,108	-
Intangible assets	82,812	87,265	2,552,250	2,540,284
Deferred income tax assets	2,239	1,592	69,009	46,345
Other non-current assets	883	846	27,232	24,619
Total non-current assets	102,571	98,261	3,161,238	2,860,362
Total Assets	409,359	365,017	12,616,443	10,625,634
Current Liabilities				
Accounts payable	23,454	24,726	722,867	719,763
Other payables	17,767	17,140	547,571	498,957
Current income tax liabilities	16,800	19,715	517,773	573,908
Lease liabilities - current	2,055	-	63,333	-
Other current liabilities	6,921	5,369	213,295	156,285
Total current liabilities	66,997	66,950	2,064,839	1,948,913
Non current Liabilities				
Lease liabilities - non-current	4,535	-	139,775	-
Total non current liabilities	4,535	-	139,775	-
Equity				
Ordinary shares	26,058	25,837	791,299	784,525
Capital reserves	93,031	84,799	2,812,895	2,569,165
Retained earnings	243,192	204,742	7,452,955	6,279,516
Other equity	(17,862)	(17,311)	(441,870)	(956,485)
Treasury shares	(6,592)	-	(203,450)	-
Total equity	337,827	298,067	10,411,829	8,676,721
Total liabilities and equity	409,359	365,017	12,616,443	10,625,634

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Cash flows from operating activities				
Income before income tax for the period	19,345	13,801	596,410	404,365
Depreciation and amortization (including the right-of-use assets)	3,661	2,791	112,876	81,775
Share-based compensation cost	2,118	1,888	65,334	55,329
Interest income	(654)	(20)	(20,155)	(584)
Income and expenses having no effect on cash flows	5,125	4,659	158,055	136,520
Accounts receivable	(5,948)	(1,491)	(183,308)	(43,397)
Inventories	402	(8,673)	12,374	(252,482)
Other current assets	1,753	(2,745)	54,016	(79,936)
Net changes in assets relating to operating activities	(3,793)	(12,909)	(116,918)	(375,815)
Accounts payable	(8,172)	(1,062)	(251,861)	(30,916)
Other payables	(2,581)	(3,493)	(79,566)	(101,680)
Other current liabilities	(394)	(2,912)	(12,137)	(84,754)
Net changes in liabilities relating to operating activities	(11,147)	(7,467)	(343,564)	(217,350)
Cash provided by (used in) operations	9,530	(1,916)	293,983	(52,280)
Interest received	654	10	20,155	300
Income tax paid	(235)	(219)	(7,238)	(6,407)
Net cash provided by (used in) operating activities	9,949	(2,125)	306,900	(58,387)
Cash flows from investing activities				
Acquisition of equipment	(418)	(451)	(12,899)	(13,216)
Acquisition of intangible assets	(1,620)	(562)	(49,944)	(16,472)
Increase in refundable deposits	(75)	(28)	(2,298)	(807)
Net cash used in investing activities	(2,113)	(1,041)	(65,141)	(30,495)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	337	305	10,390	8,938
Repayment of the principal portion of lease liabilities	(477)	-	(14,691)	-
Cash dividend regain from canceled share-based compensation	15	10	448	322
Net cash used in (provided by) financing activities	(125)	315	(3,853)	9,260
Effect of exchange rate changes on cash and cash equivalents	266	407	27,520	(95,561)
Increase (decrease) in cash and cash equivalents	7,977	(2,444)	265,426	(175,183)
Cash and cash equivalents at beginning of period	195,701	160,055	6,011,928	4,763,227
Cash and cash equivalents at end of period	203,678	157,611	6,277,354	4,588,044