

## Parade Technologies, Ltd. and Subsidiaries.

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

### UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	USD in Thousands						NTD in Thousands					
	Sequential Quarter		Three Months ended		Twelve Months ended		Sequential Quarter		Three Months ended		Twelve Months ended	
	Dec 31, 2019	Sep 30, 2019	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Sep 30, 2019	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
Revenue	96,180	101,447	96,180	101,242	382,050	343,145	2,931,558	3,165,157	2,931,558	3,123,334	11,810,592	10,363,888
Cost of goods sold	53,919	57,883	53,919	58,816	218,882	200,850	1,643,425	1,805,971	1,643,425	1,814,490	6,766,981	6,065,144
Gross profit	42,261	43,564	42,261	42,426	163,168	142,295	1,288,133	1,359,186	1,288,133	1,308,844	5,043,611	4,298,744
Research & development expenses	13,962	13,523	13,962	12,693	53,625	50,673	425,578	421,915	425,578	391,583	1,657,519	1,528,150
Sales & marketing expenses	4,821	4,778	4,821	4,173	18,597	15,968	146,912	149,079	146,912	128,748	574,796	481,584
General & administrative expenses	3,704	3,433	3,704	2,989	13,360	11,180	112,903	107,113	112,903	92,202	412,845	337,207
Expected credit loss	-	12	-	-	12	-	-	367	-	-	367	-
Total operating expenses	22,487	21,746	22,487	19,855	85,594	77,821	685,393	678,474	685,393	612,533	2,645,527	2,346,941
Operating income	19,774	21,818	19,774	22,571	77,574	64,474	602,740	680,712	602,740	696,311	2,398,084	1,951,803
Non-operating income and expenses	1,007	1,197	1,007	236	3,812	506	30,678	37,370	30,678	7,277	117,950	15,561
Income before income taxes	20,781	23,015	20,781	22,807	81,386	64,980	633,418	718,082	633,418	703,588	2,516,034	1,967,364
Income tax expense (benefit)	66	1,150	66	365	2,649	(78)	2,001	35,891	2,001	11,248	82,275	(1,998)
<b>Net income</b>	<b>20,715</b>	<b>21,865</b>	<b>20,715</b>	<b>22,442</b>	<b>78,737</b>	<b>65,058</b>	<b>631,417</b>	<b>682,191</b>	<b>631,417</b>	<b>692,340</b>	<b>2,433,759</b>	<b>1,969,362</b>
EPS - Basic (In Dollar)	\$0.27	\$0.28	\$0.27	\$0.29	\$1.02	\$0.85	\$8.18	\$8.86	\$8.18	\$9.01	\$31.54	\$25.67
Shares used in computing EPS-Basic (In thousands)	77,194	76,980	77,194	76,822	77,171	76,722	77,194	76,980	77,194	76,822	77,171	76,722
EPS - Diluted (In Dollar)	\$0.26	\$0.28	\$0.26	\$0.28	\$0.99	\$0.81	\$7.98	\$8.67	\$7.98	\$8.66	\$30.69	\$24.66
Shares used in computing EPS-Diluted (In thousands)	79,132	78,648	79,132	79,965	79,309	79,859	79,132	78,648	79,132	79,965	79,309	79,859

### UNAUDITED CONSOLIDATED BALANCE SHEETS As of December 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
	<b>Current assets</b>			
Cash & cash equivalents	270,380	195,701	8,106,000	6,011,928
Accounts receivable, net	39,944	45,944	1,197,533	1,411,407
Inventories, net	31,481	35,800	943,784	1,099,789
Prepayments	8,344	6,736	250,140	206,920
Other current assets	10,048	10,850	301,249	333,327
Total current assets	360,197	295,031	10,798,706	9,063,371
<b>Non-current assets</b>				
Property, plant and equipment, net	9,267	10,614	277,838	326,052
Right-of-use assets	6,055	-	181,543	-
Intangible assets	79,207	83,346	2,374,609	2,560,397
Deferred income tax assets	3,801	1,946	113,956	59,772
Other non-current assets	866	809	25,956	24,853
Total non-current assets	99,196	96,715	2,973,902	2,971,074
<b>Total Assets</b>	<b>459,393</b>	<b>391,746</b>	<b>13,772,608</b>	<b>12,034,445</b>
<b>Current liabilities</b>				
Accounts payable	26,224	31,626	786,191	971,566
Other payables	24,640	20,348	738,687	625,103
Current income tax liabilities	20,556	16,002	616,281	491,583
Lease liabilities - current	2,199	-	65,937	-
Other current liabilities	6,341	7,315	190,109	224,699
Total current liabilities	79,960	75,291	2,397,205	2,312,951
<b>Non current Liabilities</b>				
Lease liabilities - non-current	3,856	-	115,606	-
Total non current liabilities	3,856	-	115,606	-
<b>Equity</b>				
Ordinary shares	26,313	26,021	799,205	790,147
Capital reserves	103,824	92,873	3,159,096	2,817,047
Retained earnings	271,675	224,586	8,333,982	6,879,370
Other equity	(22,939)	(20,433)	(930,761)	(561,620)
Treasury shares	(3,296)	(6,592)	(101,725)	(203,450)
Total equity	375,577	316,455	11,259,797	9,721,494
<b>Total liabilities and equity</b>	<b>459,393</b>	<b>391,746</b>	<b>13,772,608</b>	<b>12,034,445</b>

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS For twelve months ended December 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018
	<b>Cash flows from operating activities</b>			
Income before income tax for the year	81,386	64,980	2,516,034	1,967,364
Depreciation and amortization (including the right-of-use assets)	15,779	11,527	487,704	347,530
Loss on disposal of equipment	4	-	128	-
Share-based compensation cost	9,769	8,199	301,582	246,603
Interest income	(3,419)	(270)	(105,793)	(8,277)
Income and expenses having no effect on cash flows	22,133	19,456	683,621	585,856
Accounts receivable	6,000	6,328	179,875	194,400
Inventories	4,320	(1,526)	129,513	(46,871)
Prepayments	(1,608)	(2,802)	(48,205)	(86,098)
Other current assets	801	(3,248)	24,018	(99,780)
Net changes in assets relating to operating activities	9,513	(1,248)	285,201	(38,349)
Accounts payable	(5,403)	5,839	(161,971)	179,368
Other payables	4,291	(285)	128,642	(8,755)
Other current liabilities	(973)	(966)	(29,177)	(29,672)
Net changes in liabilities relating to operating activities	(2,085)	4,588	(62,506)	140,941
Cash provided by operations	110,947	87,776	3,422,350	2,655,812
Interest received	3,419	277	105,674	8,356
Income taxes paid	(1,160)	(6,057)	(35,845)	(182,618)
<b>Net cash provided by operating activities</b>	<b>113,206</b>	<b>81,996</b>	<b>3,492,179</b>	<b>2,481,550</b>
<b>Cash flows from investing activities</b>				
Acquisition of equipment	(2,490)	(5,221)	(76,972)	(157,413)
Acquisition of intangible assets	(5,633)	(2,886)	(174,119)	(87,010)
(Increase)/decrease in refundable deposits	(57)	9	(1,702)	276
<b>Net cash used in investing activities</b>	<b>(8,180)</b>	<b>(8,098)</b>	<b>(252,793)</b>	<b>(244,147)</b>
<b>Cash flows from financing activities</b>				
Proceeds from exercise of employee stock options	501	489	15,479	14,729
Purchase of treasury shares	-	(9,352)	-	(284,138)
Treasury shares reissued to employees	3,296	2,760	101,725	80,688
Repayment of the principal portion of lease liabilities	(2,196)	-	(67,877)	-
Distribution of cash dividends	(32,529)	(33,182)	(980,751)	(965,599)
Cash dividend regain from canceled share-based compensation	54	34	1,604	1,060
<b>Net cash used in financing activities</b>	<b>(30,874)</b>	<b>(39,251)</b>	<b>(929,820)</b>	<b>(1,153,260)</b>
Effect of exchange rate changes on cash and cash equivalents	527	999	(215,494)	164,558
Increase in cash and cash equivalents	74,679	35,646	2,094,072	1,248,701
Cash and cash equivalents at beginning of year	195,701	160,055	6,011,928	4,763,227
<b>Cash and cash equivalents at end of year</b>	<b>270,380</b>	<b>195,701</b>	<b>8,106,000</b>	<b>6,011,928</b>