

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, 2020	Dec 31, 2019	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Dec 31, 2019	Mar 31, 2020	Mar 31, 2019
Revenue	98,360	96,180	98,360	93,720	2,961,629	2,931,558	2,961,629	2,889,378
Cost of goods sold	54,462	53,919	54,462	54,478	1,639,853	1,643,425	1,639,853	1,679,571
Gross profit	43,898	42,261	43,898	39,242	1,321,776	1,288,133	1,321,776	1,209,807
Research & development expenses	13,898	13,962	13,898	12,787	418,478	425,578	418,478	394,207
Sales & marketing expenses	4,864	4,821	4,864	4,535	146,442	146,912	146,442	139,814
General & administrative expenses	3,641	3,704	3,641	3,100	109,645	112,903	109,645	95,577
Total operating expenses	22,403	22,487	22,403	20,422	674,565	685,393	674,565	629,598
Operating income	21,495	19,774	21,495	18,820	647,211	602,740	647,211	580,209
Non-operating income and expenses	817	1,007	817	525	24,608	30,678	24,608	16,201
Income before income taxes	22,312	20,781	22,312	19,345	671,819	633,418	671,819	596,410
Income tax expense	1,625	66	1,625	755	48,928	2,001	48,928	23,273
Net income	20,687	20,715	20,687	18,590	622,891	631,417	622,891	573,137
EPS - Basic (In Dollar)	\$0.27	\$0.27	\$0.27	\$0.24	\$8.00	\$8.18	\$8.00	\$7.42
Shares used in computing EPS-Basic (In thousands)	77,872	77,194	77,872	77,228	77,872	77,194	77,872	77,228
EPS - Diluted (In Dollar)	\$0.26	\$0.26	\$0.26	\$0.23	\$7.79	\$7.98	\$7.79	\$7.13
Shares used in computing EPS-Diluted (In thousands)	79,965	79,132	79,965	80,332	79,965	79,132	79,965	80,332

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2020 and 2019

	USD in Thousands		NTD in Thousands	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
	Current assets			
Cash & cash equivalents	282,212	203,678	8,531,276	6,277,354
Accounts receivable, net	45,960	51,892	1,389,371	1,599,309
Inventories, net	31,576	35,399	954,540	1,090,995
Prepayments	10,881	6,195	328,922	190,929
Other current assets	11,289	9,624	341,257	296,618
Total current assets	381,918	306,788	11,545,366	9,455,205
Non-current assets				
Property, plant and equipment, net	9,346	10,047	282,538	309,639
Right-of-use assets	5,581	6,590	168,721	203,108
Intangible assets	77,367	82,812	2,338,795	2,552,250
Deferred income tax assets	3,922	2,239	118,550	69,009
Other non-current assets	854	883	25,824	27,232
Total non-current assets	97,070	102,571	2,934,428	3,161,238
Total Assets	478,988	409,359	14,479,794	12,616,443
Current Liabilities				
Accounts payable	28,035	23,454	847,490	722,867
Other payables	21,116	17,767	638,316	547,571
Current income tax liabilities	17,182	16,800	519,418	517,773
Lease liabilities - current	2,010	2,055	60,774	63,333
Other current liabilities	7,913	6,921	239,206	213,295
Total current liabilities	76,256	66,997	2,305,204	2,064,839
Non current Liabilities				
Lease liabilities - non-current	3,571	4,535	107,947	139,775
Total non current liabilities	3,571	4,535	107,947	139,775
Equity				
Ordinary shares	26,326	26,058	799,611	791,299
Capital reserves	104,245	93,031	3,171,706	2,812,895
Retained earnings	292,406	243,192	8,958,168	7,452,955
Other equity	(20,520)	(17,862)	(761,117)	(441,870)
Treasury shares	(3,296)	(6,592)	(101,725)	(203,450)
Total equity	399,161	337,827	12,066,643	10,411,829
Total liabilities and equity	478,988	409,359	14,479,794	12,616,443

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2020 and 2019

	USD in Thousands		NTD in Thousands	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
	Cash flows from operating activities			
Income before income tax for the period	22,312	19,345	671,819	596,410
Depreciation and amortization (including the right-of-use assets)	3,493	3,661	105,163	112,876
Share-based compensation cost	2,626	2,118	81,086	65,334
Interest income	(815)	(654)	(24,539)	(20,155)
Income and expenses having no effect on cash flows	5,304	5,125	161,710	158,055
Accounts receivable	(6,016)	(5,948)	(181,852)	(183,308)
Inventories	(96)	402	(2,886)	12,374
Prepayments	(2,537)	538	(76,696)	16,665
Other current assets	397	1,215	12,006	37,351
Net changes in assets relating to operating activities	(8,252)	(3,793)	(249,428)	(116,918)
Accounts payable	1,811	(8,172)	54,742	(251,861)
Other payables	(3,524)	(2,581)	(106,531)	(79,566)
Other current liabilities	1,572	(394)	47,511	(12,137)
Net changes in liabilities relating to operating activities	(141)	(11,147)	(4,278)	(343,564)
Cash provided by operations	19,223	9,530	579,823	293,983
Interest received	815	654	24,539	20,155
Income tax paid	(6,725)	(235)	(202,501)	(7,238)
Net cash provided by operating activities	13,313	9,949	401,861	306,900
Cash flows from investing activities				
Acquisition of equipment	(1,117)	(418)	(33,633)	(12,899)
Acquisition of intangible assets	(240)	(1,620)	(7,216)	(49,944)
Decrease (Increase) in refundable deposits	12	(75)	349	(2,298)
Net cash used in investing activities	(1,345)	(2,113)	(40,500)	(65,141)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	298	337	8,967	10,390
Repayment of the principal portion of lease liabilities	(413)	(477)	(12,422)	(14,691)
Cash dividend regain from canceled share-based compensation	43	15	1,295	448
Net cash used in financing activities	(72)	(125)	(2,160)	(3,853)
Effect of exchange rate changes on cash and cash equivalents	(64)	266	66,075	27,520
Net Increase in cash and cash equivalents	11,832	7,977	425,276	265,426
Cash and cash equivalents at beginning of period	270,380	195,701	8,106,000	6,011,928
Cash and cash equivalents at end of period	282,212	203,678	8,531,276	6,277,354