

## Parade Technologies, Ltd. and Subsidiaries.

The following consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries as of December 31, 2019 and 2018 and the related consolidated statements of comprehensive income, and cash flows for the twelve months ended December 31, 2019 and 2018 have been reviewed and audited by independent accountants, PricewaterhouseCoopers, Taiwan.

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.

### Audited Consolidated Statements of Comprehensive Income For twelve months ended December 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	2019	2018	2019	2018
Revenue	382,050	343,145	11,810,592	10,363,888
Cost of goods sold	218,882	200,850	6,766,981	6,065,144
Gross profit	163,168	142,295	5,043,611	4,298,744
Research & development expenses	53,625	50,673	1,657,519	1,528,150
Sales & marketing expenses	18,597	15,968	574,796	481,584
General & administrative expenses	13,360	11,180	412,845	337,207
Expected credit loss	12	-	367	-
Total operating expenses	85,594	77,821	2,645,527	2,346,941
Operating income	77,574	64,474	2,398,084	1,951,803
Non-operating income and expenses	3,812	506	117,950	15,561
Income before income taxes	81,386	64,980	2,516,034	1,967,364
Income tax expenses (benefit)	2,649	(78)	82,275	(1,998)
<b>Net income</b>	<b>78,737</b>	<b>65,058</b>	<b>2,433,759</b>	<b>1,969,362</b>
EPS - Basic (In Dollar)	\$1.02	\$0.85	\$31.54	\$25.67
Shares used in computing EPS-Basic (In thousands)	77,171	76,722	77,171	76,722
EPS - Diluted (In Dollar)	\$0.99	\$0.81	\$30.69	\$24.66
Shares used in computing EPS-Diluted (In thousands)	79,309	79,859	79,309	79,859

### Audited Consolidated Balance Sheets As of December 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	2019	2018	2019	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
<b>Total current assets</b>	<b>360,197</b>	<b>295,031</b>	<b>10,798,706</b>	<b>9,063,371</b>
<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
<b>Total non-current assets</b>	<b>99,196</b>	<b>96,715</b>	<b>2,973,902</b>	<b>2,971,074</b>
<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
<b>Total current liabilities</b>	<b>79,960</b>	<b>75,291</b>	<b>2,397,205</b>	<b>2,312,951</b>
<b>Non-current liabilities</b>				
Lease liabilities - non-current	3,856	-	115,606	-
<b>Total non-current liabilities</b>	<b>3,856</b>	<b>-</b>	<b>115,606</b>	<b>-</b>
<b>Total liabilities</b>	<b>83,816</b>	<b>75,291</b>	<b>2,512,811</b>	<b>2,312,951</b>
<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)
<b>Total equity</b>	<b>375,577</b>	<b>316,455</b>	<b>11,259,797</b>	<b>9,721,494</b>
<b>Total liabilities and equity</b>	<b>459,393</b>	<b>391,746</b>	<b>13,772,608</b>	<b>12,034,445</b>

### Audited Consolidated Statements of Cash Flows For twelve months ended December 31, 2019 and 2018

	USD in Thousands		NTD in Thousands	
	2019	2018	2019	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
Repayment of the principal portion of lease liabilities	(2,196)	-	(67,877)	-
Purchase of treasury shares	-	(9,352)	-	(284,138)
Treasury shares reissued to employees	3,296	2,760	101,725	80,688
Distribution of cash dividends	(32,529)	(33,182)	(980,751)	(965,599)
Cash dividend regain from cancellation of 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>