

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		Six Months ended		Sequential Quarter		Three Months ended		Six Months ended	
	Jun 30, 2020	Mar 31, 2020	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Mar 31, 2020	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
Revenue	121,543	98,360	121,543	90,703	219,903	184,423	3,632,919	2,961,629	3,632,919	2,824,499	6,594,548	5,713,877
Cost of goods sold	67,738	54,462	67,738	52,602	122,200	107,080	2,024,686	1,639,853	2,024,686	1,638,014	3,664,539	3,317,585
Gross profit	53,805	43,898	53,805	38,101	97,703	77,343	1,608,233	1,321,776	1,608,233	1,186,485	2,930,009	2,396,292
Research & development expenses	15,198	13,898	15,198	13,353	29,096	26,140	454,265	418,478	454,265	415,819	872,743	810,026
Sales & marketing expenses	5,239	4,864	5,239	4,463	10,103	8,998	156,612	146,442	156,612	138,991	303,054	278,805
General & administrative expenses	4,516	3,641	4,516	3,123	8,157	6,223	134,965	109,645	134,965	97,252	244,610	192,829
Total operating expenses	24,953	22,403	24,953	20,939	47,356	41,361	745,842	674,565	745,842	652,062	1,420,407	1,281,660
Operating income	28,852	21,495	28,852	17,162	50,347	35,982	862,391	647,211	862,391	534,423	1,509,602	1,114,632
Non-operating income and expenses	143	817	143	1,083	960	1,608	4,256	24,608	4,256	33,701	28,864	49,902
Income before income taxes	28,995	22,312	28,995	18,245	51,307	37,590	866,647	671,819	866,647	568,124	1,538,466	1,164,534
Income tax expense	772	1,625	772	678	2,397	1,433	23,084	48,928	23,084	21,110	72,012	44,383
Net income	28,223	20,687	28,223	17,567	48,910	36,157	843,563	622,891	843,563	547,014	1,466,454	1,120,151
EPS - Basic (In Dollar)	\$0.36	\$0.27	\$0.36	\$0.23	\$0.63	\$0.47	\$10.81	\$8.00	\$10.81	\$7.10	\$18.81	\$14.57
Shares used in computing EPS-Basic (In thousands)	78,034	77,872	78,034	77,008	77,955	76,883	78,034	77,872	78,034	77,008	77,955	76,883
EPS - Diluted (In Dollar)	\$0.35	\$0.26	\$0.35	\$0.22	\$0.61	\$0.45	\$10.54	\$7.79	\$10.54	\$6.84	\$18.33	\$14.00
Shares used in computing EPS-Diluted (In thousands)	80,012	79,965	80,012	80,012	80,021	80,006	80,012	79,965	80,012	80,012	80,021	80,006

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of June 30, 2020 and 2019

	USD in Thousands		NTD in Thousands	
	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
	Current assets			
Cash & cash equivalents	272,560	241,339	8,075,953	7,495,983
Accounts receivable, net	57,635	43,527	1,707,712	1,351,940
Inventories, net	33,248	36,945	985,135	1,147,504
Prepayments	11,555	7,807	342,377	242,492
Other current assets	12,444	10,785	368,725	334,995
Total current assets	387,442	340,403	11,479,902	10,572,914
Non-current assets				
Property, plant and equipment, net	10,211	9,251	302,529	287,329
Right-of-use assets	5,023	7,017	148,839	217,949
Intangible assets	113,516	82,160	3,363,513	2,551,886
Deferred income tax assets	5,253	2,465	155,633	76,565
Other non-current assets	898	876	26,608	27,217
Total non-current assets	134,901	101,769	3,997,122	3,160,946
Total Assets	522,343	442,172	15,477,024	13,733,860
Current Liabilities				
Accounts payable	29,177	30,762	864,510	955,482
Other payables	70,442	55,496	2,137,572	1,694,109
Current income tax liabilities	18,975	17,443	562,223	541,772
Lease liabilities - current	1,936	2,056	57,378	63,867
Other current liabilities	8,201	6,593	242,992	204,784
Total current liabilities	128,731	112,350	3,864,675	3,460,014
Non current Liabilities				
Lease liabilities - non-current	3,087	4,961	91,461	154,082
Total non current liabilities	3,087	4,961	91,461	154,082
Equity				
Ordinary shares	26,343	26,085	800,100	792,144
Capital reserves	105,244	94,579	3,201,278	2,869,927
Retained earnings	281,263	228,239	8,584,981	7,019,459
Other equity	(19,029)	(17,450)	(963,746)	(358,316)
Treasury shares	(3,296)	(6,592)	(101,725)	(203,450)
Total equity	390,525	324,861	11,520,888	10,119,764
Total liabilities and equity	522,343	442,172	15,477,024	13,733,860

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2020 and 2019

	USD in Thousands		NTD in Thousands	
	Jun 30, 2020	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
	Cash flows from operating activities			
Income before income tax for the period	51,307	37,590	1,538,466	1,164,534
Depreciation and amortization (including the right-of-use assets)	7,384	7,364	221,526	228,125
Share-based compensation cost	5,080	4,303	156,620	132,721
Interest income	(857)	(1,638)	(25,800)	(50,792)
Income and expenses having no effect on cash flows	11,607	10,029	352,346	310,054
Accounts receivable	(17,690)	2,418	(524,159)	75,088
Inventories	(1,767)	(1,144)	(52,370)	(35,543)
Prepayments	(3,212)	(1,072)	(95,157)	(33,282)
Other current assets	(759)	50	(22,487)	1,575
Net changes in assets relating to operating activities	(23,428)	252	(694,173)	7,838
Accounts payable	2,953	(864)	87,498	(26,837)
Other payables	6,433	(721)	190,622	81,336
Other current liabilities	1,860	2,619	55,102	(22,402)
Net changes in liabilities relating to operating activities	11,246	1,034	333,222	32,097
Cash provided by operations	50,732	48,905	1,529,861	1,514,523
Interest received	857	1,637	25,715	50,733
Income taxes paid	(7,036)	(490)	(211,067)	(15,192)
Income taxes received	1	-	12	-
Net cash provided by operating activities	44,554	50,052	1,344,521	1,550,064
Cash flows from investing activities				
Acquisition of equipment	(2,806)	(676)	(84,169)	(20,936)
Acquisition of intangible assets	(1,787)	(3,149)	(53,622)	(97,547)
Increase in refundable deposits	(32)	(67)	(955)	(2,089)
Acquisition of business combinations	(37,169)	-	(1,112,458)	-
Net cash used in investing activities	(41,794)	(3,892)	(1,251,204)	(120,572)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	349	338	10,475	10,457
Repayment of the principal portion of lease liabilities	(1,126)	(989)	(33,769)	(30,630)
Cash dividend regain from canceled share-based compensation	48	23	1,432	689
Net cash used in financing activities	(729)	(628)	(21,862)	(19,484)
Effect of exchange rate changes on cash and cash equivalents	149	106	(101,502)	74,047
Net (decrease) increase in cash and cash equivalents	2,180	45,638	(30,047)	1,484,055
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	272,560	241,339	8,075,953	7,495,983