

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		Twelve Months ended		Sequential Quarter		Three Months ended		Twelve Months ended	
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Sep 30, 2020	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
Revenue	148,287	150,146	148,287	96,180	518,336	382,050	4,263,263	4,421,777	4,263,263	2,931,558	15,279,588	11,810,592
Cost of goods sold	83,727	84,072	83,727	53,919	289,999	218,882	2,407,154	2,475,915	2,407,154	1,643,425	8,547,608	6,766,981
Gross profit	64,560	66,074	64,560	42,261	228,337	163,168	1,856,109	1,945,862	1,856,109	1,288,133	6,731,980	5,043,611
Research & development expenses	17,094	16,443	17,094	13,962	62,633	53,625	491,457	484,243	491,457	425,578	1,848,443	1,657,519
Sales & marketing expenses	6,671	6,413	6,671	4,821	23,187	18,597	191,796	188,851	191,796	146,912	683,701	574,796
General & administrative expenses	4,686	4,640	4,686	3,704	17,483	13,360	134,724	136,635	134,724	112,903	515,969	412,845
Expected credit loss	-	-	-	-	-	12	-	-	-	-	-	367
Total operating expenses	28,451	27,496	28,451	22,487	103,303	85,594	817,977	809,729	817,977	685,393	3,048,113	2,645,527
Operating income	36,109	38,578	36,109	19,774	125,034	77,574	1,038,132	1,136,133	1,038,132	602,740	3,683,867	2,398,084
Non-operating income and expenses	(388)	(87)	(388)	1,007	485	3,812	(11,147)	(2,557)	(11,147)	30,678	15,160	117,950
Income before income taxes	35,721	38,491	35,721	20,781	125,519	81,386	1,026,985	1,133,576	1,026,985	633,418	3,699,027	2,516,034
Income tax expense	2,429	1,745	2,429	66	6,571	2,649	69,815	51,404	69,815	2,001	193,231	82,275
Net income	33,292	36,746	33,292	20,715	118,948	78,737	957,170	1,082,172	957,170	631,417	3,505,796	2,433,759
EPS - Basic (In Dollar)	\$0.42	\$0.47	\$0.42	\$0.27	\$1.52	\$1.02	\$12.12	\$13.80	\$12.12	\$8.18	\$44.86	\$31.54
Shares used in computing EPS-Basic (In thousands)	78,955	78,437	78,955	77,194	78,156	77,171	78,955	78,437	78,955	77,194	78,156	77,171
EPS - Diluted (In Dollar)	\$0.41	\$0.46	\$0.41	\$0.26	\$1.48	\$0.99	\$11.88	\$13.52	\$11.88	\$7.98	\$43.73	\$30.69
Shares used in computing EPS-Diluted (In thousands)	80,562	80,018	80,562	79,132	80,161	79,309	80,562	80,018	80,562	79,132	80,161	79,309

UNAUDITED CONSOLIDATED BALANCE SHEETS As of December 31, 2020 and 2019

	USD in Thousands		NTD in Thousands	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	Current assets			
Cash & cash equivalents	299,146	270,380	8,519,679	8,106,000
Accounts receivable, net	55,433	39,944	1,578,725	1,197,533
Inventories, net	56,707	31,481	1,615,012	943,784
Prepayments	11,197	8,344	318,886	250,140
Other current assets	16,998	10,048	484,108	301,249
Total current assets	439,481	360,197	12,516,410	10,798,706
Non-current assets				
Property, plant and equipment, net	12,874	9,267	366,648	277,838
Right-of-use assets	8,771	6,055	249,796	181,543
Intangible assets	112,754	79,207	3,211,223	2,374,609
Deferred income tax assets	6,694	3,801	190,661	113,956
Other non-current assets	1,188	866	33,839	25,956
Total non-current assets	142,281	99,196	4,052,167	2,973,902
Total Assets	581,762	459,393	16,568,577	13,772,608
Current Liabilities				
Accounts payable	43,570	26,224	1,240,882	786,191
Other payables	58,599	24,640	1,706,070	738,687
Current income tax liabilities	18,538	20,556	527,976	616,281
Lease liabilities - current	2,662	2,199	75,801	65,937
Other current liabilities	5,624	6,341	160,159	190,109
Total current liabilities	128,993	79,960	3,710,888	2,397,205
Non current Liabilities				
Lease liabilities - non-current	6,109	3,856	173,995	115,606
Total non-current liabilities	6,109	3,856	173,995	115,606
Equity				
Ordinary shares	26,604	26,313	807,803	799,205
Capital reserves	137,586	103,824	4,152,210	3,159,096
Retained earnings	324,547	271,675	9,890,935	8,333,982
Other equity	(36,108)	(22,939)	(1,999,547)	(930,761)
Treasury shares	(5,969)	(3,296)	(167,707)	(101,725)
Total equity	446,660	375,577	12,683,694	11,259,797
Total liabilities and equity	581,762	459,393	16,568,577	13,772,608

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS For twelve months ended December 31, 2020 and 2019

	USD in Thousands		NTD in Thousands	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	Cash flows from operating activities			
Income before income tax for the year	125,519	81,386	3,699,027	2,516,034
Depreciation and amortization (including the right-of-use assets)	16,244	15,779	480,020	487,704
Loss on disposal of equipment	-	4	-	128
Share-based compensation cost	18,783	9,769	566,708	301,582
Interest income	(963)	(3,419)	(28,885)	(105,793)
Income and expenses having no effect on cash flows	34,064	22,133	1,017,843	683,621
Accounts receivable	(15,488)	6,000	(441,109)	179,875
Inventories	(25,226)	4,320	(718,449)	129,513
Prepayments	(2,853)	(1,608)	(81,261)	(48,205)
Other current assets	(6,271)	801	(178,585)	24,018
Net changes in assets relating to operating activities	(49,838)	9,513	(1,419,404)	285,201
Accounts payable	17,347	(5,403)	494,026	(161,971)
Other payables	9,505	4,291	270,701	128,642
Other current liabilities	(718)	(973)	(20,439)	(29,177)
Net changes in liabilities relating to operating activities	26,134	(2,085)	744,288	(62,506)
Cash provided by operations	135,879	110,947	4,041,754	3,422,350
Interest received	963	3,419	28,459	105,674
Income taxes paid	(11,844)	(1,160)	(349,981)	(35,845)
Income taxes received	-	-	13	-
Net cash provided by operating activities	124,998	113,206	3,720,245	3,492,179
Cash flows from investing activities				
Acquisition of equipment	(7,680)	(2,490)	(226,959)	(76,972)
Acquisition of intangible assets	(6,102)	(5,633)	(180,309)	(174,119)
Increase in refundable deposits	(322)	(57)	(9,182)	(1,702)
Acquisition of business combinations	(37,169)	-	(1,112,458)	-
Net cash used in investing activities	(51,273)	(8,180)	(1,528,908)	(252,793)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	529	501	15,632	15,479
Repayment of the principal portion of lease liabilities	(2,560)	(2,196)	(75,647)	(67,877)
Purchase of treasury shares	(5,969)	-	(167,707)	-
Treasury shares reissued to employees	3,296	3,296	101,725	101,725
Distribution of cash dividends	(39,369)	(32,529)	(1,216,887)	(980,751)
Cash dividend regain from canceled share-based compensation	56	54	1,685	1,604
Net cash used in financing activities	(44,017)	(30,874)	(1,341,199)	(929,820)
Effect of exchange rate changes on cash and cash equivalents	(942)	527	(436,459)	(215,494)
Net increase in cash and cash equivalents	28,766	74,679	413,679	2,094,072
Cash and cash equivalents at beginning of year	270,380	195,701	8,106,000	6,011,928
Cash and cash equivalents at end of year	299,146	270,380	8,519,679	8,106,000