

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, 2021	Dec 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Dec 31, 2020	Mar 31, 2021	Mar 31, 2020
Revenue	153,107	148,287	153,107	98,360	4,343,653	4,263,263	4,343,653	2,961,629
Cost of goods sold	84,111	83,727	84,111	54,462	2,386,235	2,407,154	2,386,235	1,639,853
Gross profit	68,996	64,560	68,996	43,898	1,957,418	1,856,109	1,957,418	1,321,776
Research & development expenses	17,503	17,094	17,503	13,898	496,562	491,457	496,562	418,478
Sales & marketing expenses	6,894	6,671	6,894	4,864	195,583	191,796	195,583	146,442
General & administrative expenses	4,986	4,686	4,986	3,641	141,463	134,724	141,463	109,645
Total operating expenses	29,383	28,451	29,383	22,403	833,608	817,977	833,608	674,565
Operating income	39,613	36,109	39,613	21,495	1,123,810	1,038,132	1,123,810	647,211
Non-operating income and (expenses)	(419)	(388)	(419)	817	(11,888)	(11,147)	(11,888)	24,608
Income before income taxes	39,194	35,721	39,194	22,312	1,111,922	1,026,985	1,111,922	671,819
Income tax expense	2,759	2,429	2,759	1,625	78,263	69,815	78,263	48,928
Net income	36,435	33,292	36,435	20,687	1,033,659	957,170	1,033,659	622,891
EPS - Basic (In Dollar)	\$0.46	\$0.42	\$0.46	\$0.27	\$13.13	\$12.12	\$13.13	\$8.00
Shares used in computing EPS-Basic (In thousands)	78,701	78,955	78,701	77,872	78,701	78,955	78,701	77,872
EPS - Diluted (In Dollar)	\$0.45	\$0.41	\$0.45	\$0.26	\$12.82	\$11.88	\$12.82	\$7.79
Shares used in computing EPS-Diluted (In thousands)	80,621	80,562	80,621	79,965	80,621	80,562	80,621	79,965

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of March 31, 2021 and 2020

	USD in Thousands		NTD in Thousands	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Current assets				
Cash & cash equivalents	284,717	282,212	8,125,824	8,531,276
Accounts receivable, net	57,088	45,960	1,629,283	1,389,371
Inventories, net	60,143	31,576	1,716,478	954,540
Other current assets	17,539	11,289	500,583	341,257
Total current assets	419,487	371,037	11,972,168	11,216,444
Non-current assets				
Property, plant and equipment, net	16,025	9,346	457,361	282,538
Right-of-use assets	9,903	5,581	282,617	168,721
Intangible assets	112,509	77,367	3,210,995	2,338,795
Deferred income tax assets	7,563	3,922	215,861	118,550
Other non-current assets	10,187	11,735	290,741	354,746
Total non-current assets	156,187	107,951	4,457,575	3,263,350
Total Assets	575,674	478,988	16,429,743	14,479,794
Current Liabilities				
Accounts payable	34,686	28,035	989,944	847,490
Other payables	29,265	21,116	835,217	638,316
Current income tax liabilities	21,336	17,182	608,922	519,418
Lease liabilities - current	3,406	2,010	97,203	60,774
Other current liabilities	4,150	7,913	118,469	239,206
Total current liabilities	92,843	76,256	2,649,755	2,305,204
Non current Liabilities				
Lease liabilities - non-current	6,497	3,571	185,414	107,947
Total non-current liabilities	6,497	3,571	185,414	107,947
Equity				
Ordinary shares	26,615	26,326	808,125	799,611
Capital reserves	138,106	104,245	4,165,865	3,171,706
Retained earnings	359,620	292,406	10,924,793	8,958,168
Other equity	(31,999)	(20,520)	(1,854,620)	(761,117)
Treasury shares	(16,008)	(3,296)	(449,589)	(101,725)
Total equity	476,334	399,161	13,594,574	12,066,643
Total liabilities and equity	575,674	478,988	16,429,743	14,479,794

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For three months ended March 31, 2021 and 2020

	USD in Thousands		NTD in Thousands	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Cash flows from operating activities				
Income before income tax for the period	39,194	22,312	1,111,922	671,819
Depreciation and amortization (including the right-of-use assets)	4,737	3,493	134,398	105,163
Loss on disposal of equipment	61	-	1,736	-
Share-based compensation cost	3,678	2,626	110,654	81,086
Interest income	(35)	(815)	(999)	(24,539)
Income and expenses having no effect on cash flows	8,441	5,304	245,789	161,710
Accounts receivable	(1,655)	(6,016)	(47,232)	(181,852)
Inventories	(3,436)	(96)	(98,063)	(2,886)
Other current assets	704	397	20,081	12,006
Net changes in assets relating to operating activities	(4,387)	(5,715)	(125,214)	(172,732)
Accounts payable	(8,884)	1,811	(253,552)	54,742
Other payables	(4,879)	(3,524)	(139,261)	(106,531)
Other current liabilities	(1,473)	1,572	(42,028)	47,511
Net changes in liabilities relating to operating activities	(15,236)	(141)	(434,841)	(4,278)
Cash provided by operations	28,012	21,760	797,656	656,519
Interest received	35	815	999	24,539
Income taxes paid	(1,578)	(6,725)	(44,756)	(202,501)
Net cash provided by operating activities	26,469	15,849	753,899	478,557
Cash flows from investing activities				
Acquisition of equipment	(4,544)	(1,117)	(128,909)	(33,633)
Acquisition of intangible assets	(2,409)	(240)	(68,359)	(7,216)
Decrease in refundable deposits	125	12	3,562	349
Decrease (increase) in other prepayments	2,073	(2,537)	59,165	(76,696)
Net cash used in investing activities	(4,755)	(3,882)	(134,541)	(117,196)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	131	298	3,724	8,967
Repayment of the principal portion of lease liabilities	(776)	(413)	(22,004)	(12,421)
Purchase of treasury shares	(10,038)	-	(281,882)	-
Distribution of cash dividends	(24,455)	-	(733,641)	-
Cash dividend regain from canceled share-based compensation	7	43	199	1,295
Net cash used in financing activities	(35,131)	(72)	(1,033,604)	(2,159)
Effect of exchange rate changes on cash and cash equivalents	(1,012)	(64)	20,391	66,074
Net (decrease) increase in cash and cash equivalents	(14,429)	11,832	(393,855)	425,276
Cash and cash equivalents at beginning of period	299,146	270,380	8,519,679	8,106,000
Cash and cash equivalents at end of period	284,717	282,212	8,125,824	8,531,276