

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 INCOME STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

	USD in Thousands						NTD in Thousands					
	Sequential Quarter		Three Months ended		Nine Months ended		Sequential Quarter		Three Months ended		Nine Months ended	
	Sep 30, 2021	Jun 30, 2021	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Jun 30, 2021	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
Revenue	191,718	175,254	191,718	150,146	520,079	370,049	5,341,284	4,903,589	5,341,284	4,421,777	14,588,526	11,016,325
Cost of goods sold	97,582	91,767	97,582	84,072	273,460	206,272	2,718,646	2,567,624	2,718,646	2,475,915	7,672,505	6,140,454
Gross profit	94,136	83,487	94,136	66,074	246,619	163,777	2,622,638	2,335,965	2,622,638	1,945,862	6,916,021	4,875,871
Research & development expenses	19,875	19,088	19,875	16,443	56,466	45,539	553,710	534,076	553,710	484,243	1,584,348	1,356,986
Sales & marketing expenses	8,496	8,308	8,496	6,413	23,698	16,516	236,709	232,457	236,709	188,851	664,749	491,905
General & administrative expenses	6,322	5,898	6,322	4,640	17,206	12,797	176,126	165,030	176,126	136,635	482,619	381,245
Total operating expenses	34,693	33,294	34,693	27,496	97,370	74,852	966,545	931,563	966,545	809,729	2,731,716	2,230,136
Operating income	59,443	50,193	59,443	38,578	149,249	88,925	1,656,093	1,404,402	1,656,093	1,136,133	4,184,305	2,645,735
Non-operating income and (expenses)	(46)	(115)	(46)	(87)	(580)	873	(1,310)	(3,206)	(1,310)	(2,557)	(16,404)	26,307
Income before income taxes	59,397	50,078	59,397	38,491	148,669	89,798	1,654,783	1,401,196	1,654,783	1,133,576	4,167,901	2,672,042
Income tax expense	6,060	5,009	6,060	1,745	13,828	4,142	168,809	140,170	168,809	51,404	387,242	123,416
Net income	53,337	45,069	53,337	36,746	134,841	85,656	1,485,974	1,261,026	1,485,974	1,082,172	3,780,659	2,548,626
EPS - Basic (In Dollar)	\$0.67	\$0.57	\$0.67	\$0.47	\$1.71	\$1.09	\$18.71	\$15.98	\$18.71	\$13.80	\$47.85	\$32.58
Shares used in computing EPS-Basic (In thousands)	79,424	78,914	79,424	78,437	79,004	78,229	79,424	78,914	79,424	78,437	79,004	78,229
EPS - Diluted (In Dollar)	\$0.66	\$0.56	\$0.66	\$0.46	\$1.67	\$1.07	\$18.34	\$15.62	\$18.34	\$13.52	\$46.74	\$31.77
Shares used in computing EPS-Diluted (In thousands)	81,021	80,735	81,021	80,018	80,895	80,230	81,021	80,735	81,021	80,018	80,895	80,230

UNAUDITED CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2021 AND 2020

	USD in Thousands		NTD in Thousands	
	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
	Current assets			
Cash & cash equivalents	308,491	271,266	8,591,470	7,893,836
Accounts receivable, net	62,250	60,524	1,733,665	1,761,246
Inventories, net	64,104	38,457	1,785,302	1,119,095
Other current assets	20,410	28,784	568,412	511,837
Total current assets	455,255	399,031	12,678,849	11,286,014
Non-current assets				
Property, plant and equipment, net	17,813	12,731	496,115	370,459
Right-of-use assets	9,236	5,130	257,237	149,293
Intangible assets	112,377	113,120	3,129,677	3,291,791
Deferred income tax assets	7,832	6,414	218,126	186,643
Other non-current assets	73,747	903	2,053,842	352,075
Total non-current assets	221,005	138,298	6,154,997	4,350,261
Total Assets	676,260	537,329	18,833,846	15,636,275
Current Liabilities				
Accounts payable	33,820	36,293	941,895	1,056,122
Other payables	37,403	27,478	1,041,667	799,615
Current income tax liabilities	31,362	21,514	873,439	626,055
Lease liabilities - current	3,527	1,987	98,228	57,827
Other current liabilities	7,047	8,109	196,229	235,961
Total current liabilities	113,159	95,381	3,151,458	2,775,580
Non-current Liabilities				
Lease liabilities - non-current	5,709	3,143	159,009	91,466
Total non-current liabilities	5,709	3,143	159,009	91,466
Equity				
Ordinary shares	26,636	26,597	808,705	807,581
Capital reserves	142,192	137,325	4,276,273	4,144,850
Retained earnings	421,199	315,705	12,653,796	9,667,305
Other equity	(27,680)	(40,822)	(2,076,222)	(1,850,507)
Treasury shares	(4,955)	-	(139,173)	-
Total equity	557,392	438,805	15,523,379	12,769,229
Total liabilities and equity	676,260	537,329	18,833,846	15,636,275

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

	USD in Thousands		NTD in Thousands	
	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020
	Cash flows from operating activities			
Income before income tax for the period	148,669	89,798	4,167,901	2,672,042
Depreciation and amortization (including the right-of-use assets)	19,481	11,568	546,811	344,955
Loss on disposal of equipment	86	-	2,417	-
Share-based compensation cost	11,179	15,017	331,333	453,796
Interest income	(74)	(914)	(2,070)	(27,482)
Income and expenses having no effect on cash flows	30,672	25,671	878,491	771,269
Accounts receivable	(6,817)	(20,580)	(189,863)	(598,864)
Inventories	(7,397)	(6,976)	(206,015)	(203,014)
Other current assets	(2,154)	(5,886)	(59,976)	(171,270)
Net changes in assets relating to operating activities	(16,368)	(33,442)	(455,854)	(973,148)
Accounts payable	(9,750)	10,069	(271,537)	293,008
Other payables	3,258	2,839	90,749	82,611
Other current liabilities	1,422	1,767	39,613	51,432
Net changes in liabilities relating to operating activities	(5,070)	14,675	(141,175)	427,051
Cash provided by operations	157,903	96,702	4,449,363	2,897,214
Interest received	74	914	2,070	27,263
Income taxes paid	(3,952)	(7,427)	(110,944)	(221,470)
Income taxes received	2	1	52	12
Net cash provided by operating activities	154,027	90,190	4,340,541	2,703,019
Cash flows from investing activities				
Acquisition of equipment	(9,205)	(6,399)	(258,385)	(190,817)
Acquisition of intangible assets	(147)	(3,952)	(4,119)	(117,841)
Increase in refundable deposits	(66,264)	(37)	(1,845,447)	(1,090)
Increase in other prepayments	(5,383)	(6,582)	(151,088)	(196,289)
Acquisition of business combinations	-	(37,169)	-	(1,112,458)
Net cash used in investing activities	(80,999)	(54,139)	(2,259,039)	(1,618,495)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	196	498	5,492	14,865
Repayment of the principal portion of lease liabilities	(2,783)	(1,637)	(78,118)	(48,834)
Purchase of treasury shares	(10,038)	-	(281,882)	-
Treasury shares reissued to employees	11,052	3,296	310,416	101,725
Distribution of cash dividends	(59,474)	(39,369)	(1,752,708)	(1,216,887)
Cash dividend regain from canceled share-based compensation	42	53	1,269	1,584
Net cash used in financing activities	(61,005)	(37,159)	(1,795,531)	(1,147,547)
Effect of exchange rate changes on cash and cash equivalents	(2,678)	1,994	(214,180)	(149,141)
Net increase (decrease) in cash and cash equivalents	9,345	886	71,791	(212,164)
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	308,491	271,266	8,591,470	7,893,836