

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 US\$ version, the NTS version shall prevail.

CONSOLIDATED INCOME STATEMENTS

	USD in Thousands						NTD in Thousands					
	Sequential Quarter		Three Months ended		Six Months ended		Sequential Quarter		Three Months ended		Six Months ended	
	Jun 30, 2022	Mar 31, 2022	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Mar 31, 2022	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Revenue	216,699	210,723	216,699	175,254	427,422	328,361	6,383,951	5,898,143	6,383,951	4,903,589	12,282,094	9,247,242
Cost of goods sold	114,340	109,948	114,340	91,767	224,288	175,878	3,368,457	3,077,451	3,368,457	2,567,624	6,445,908	4,953,859
Gross profit	102,359	100,775	102,359	83,487	203,134	152,483	3,015,494	2,820,692	3,015,494	2,335,965	5,836,186	4,293,383
Research & development expenses	21,483	21,226	21,483	19,088	42,709	36,591	632,873	594,124	632,873	534,076	1,226,997	1,030,638
Sales & marketing expenses	7,907	8,214	7,907	8,308	16,121	15,202	232,925	229,911	232,925	232,457	462,836	428,040
General & administrative expenses	6,549	6,449	6,549	5,898	12,998	10,884	192,942	180,508	192,942	165,030	373,450	306,493
Total operating expenses	35,939	35,889	35,939	32,294	71,828	62,677	1,058,740	1,004,543	1,058,740	931,563	2,063,283	1,765,171
Operating income	66,420	64,886	66,420	50,193	131,206	89,806	1,956,754	1,816,149	1,956,754	1,404,402	3,772,903	2,528,212
Non-operating income and (expenses)	566	(30)	566	(115)	536	(534)	16,662	(825)	16,662	(3,206)	15,837	(15,094)
Income before income taxes	66,986	64,856	66,986	50,078	131,842	89,272	1,973,416	1,815,324	1,973,416	1,401,196	3,788,740	2,513,118
Income tax expense	6,049	5,669	6,049	5,009	11,718	7,768	178,193	158,689	178,193	140,170	336,882	218,433
Net income	60,937	59,187	60,937	45,069	120,124	81,504	1,795,223	1,656,635	1,795,223	1,261,026	3,451,858	2,294,685
EPS - Basic (In Dollar)	\$0.76	\$0.75	\$0.76	\$0.57	\$1.51	\$1.03	\$22.51	\$20.91	\$22.51	\$15.98	\$43.42	\$29.12
Shares used in computing EPS-Basic (In thousands)	79,766	79,212	79,766	78,914	79,496	78,808	79,766	79,212	79,766	78,914	79,496	78,808
EPS - Diluted (In Dollar)	\$0.75	\$0.73	\$0.75	\$0.56	\$1.48	\$1.01	\$22.18	\$20.55	\$22.18	\$15.62	\$42.67	\$28.42
Shares used in computing EPS-Diluted (In thousands)	80,951	80,602	80,951	80,735	80,905	80,732	80,951	80,602	80,951	80,735	80,905	80,732

CONSOLIDATED BALANCE SHEETS

As of June 30, 2022 and 2021

	USD in Thousands		NTD in Thousands	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
	Current assets			
Cash & cash equivalents	408,717	285,336	12,147,059	7,949,466
Accounts receivable, net	71,597	58,787	2,127,869	1,637,799
Inventories, net	107,911	60,448	3,207,122	1,684,077
Other current assets	25,492	18,279	757,629	509,243
Total current assets	613,717	422,850	18,239,679	11,780,585
Non-current assets				
Property, plant and equipment, net	17,920	16,276	532,593	453,465
Right-of-use assets	6,759	9,489	200,863	264,360
Intangible assets	106,129	114,072	3,154,145	3,178,062
Deferred income tax assets	10,232	8,117	304,090	226,142
Other non-current assets	78,140	73,918	2,322,312	2,059,345
Total non-current assets	219,180	221,872	6,514,003	6,181,374
Total Assets	832,897	644,722	24,753,682	17,961,959
Current Liabilities				
Accounts payable	56,079	36,860	1,666,672	1,026,922
Other payables	100,695	70,978	2,892,562	2,020,870
Current income tax liabilities	30,317	21,099	901,030	587,826
Lease liabilities - current	3,037	3,397	90,253	94,628
Other current liabilities	13,823	4,007	410,818	111,645
Total current liabilities	203,951	136,341	5,961,335	3,841,891
Non-current Liabilities				
Lease liabilities - non-current	3,722	6,092	110,610	169,732
Total non-current liabilities	3,722	6,092	110,610	169,732
Equity				
Ordinary shares	26,740	26,636	811,895	808,705
Capital reserves	138,074	142,358	4,188,380	4,281,780
Retained earnings	500,731	369,703	14,948,952	11,167,756
Other equity	(18,513)	(31,453)	(661,362)	(2,168,732)
Treasury shares	(21,808)	(4,955)	(606,128)	(139,173)
Total equity	625,224	502,289	18,681,737	13,950,336
Total liabilities and equity	832,897	644,722	24,753,682	17,961,959

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2022 and 2021

	USD in Thousands		NTD in Thousands	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
	Cash flows from operating activities			
Income before income tax for the period	131,842	89,272	3,788,740	2,513,118
Depreciation and amortization (including the right-of-use assets)	11,081	12,225	318,238	344,389
Loss on disposal of equipment	1	63	34	1,776
Share-based compensation cost	16,451	13,356	479,230	389,558
Interest income	(158)	(49)	(4,627)	(1,392)
Income and expenses having no effect on cash flows	27,375	25,595	792,875	734,331
Accounts receivable	(21,214)	(3,354)	(630,493)	(93,442)
Inventories	(32,133)	(3,741)	(954,979)	(104,223)
Other current assets	(31,800)	(10,554)	(893,882)	(298,189)
Net changes in assets relating to operating activities	(85,147)	(17,649)	(2,479,354)	(495,854)
Accounts payable	15,233	(6,710)	452,730	(186,946)
Other payables	(1,814)	1,814	(53,915)	50,543
Other current liabilities	3,779	(1,616)	112,320	(45,027)
Net changes in liabilities relating to operating activities	17,198	(6,512)	511,135	(181,430)
Cash provided by operations	91,268	90,706	2,613,396	2,570,165
Interest received	158	49	4,627	1,392
Income taxes paid	(816)	(1,999)	(23,433)	(56,326)
Income taxes received	19	2	554	53
Net cash generated from operating activities	90,629	88,758	2,595,144	2,515,284
Cash flows from investing activities				
Acquisition of equipment	(3,854)	(6,157)	(110,678)	(173,444)
Acquisition of intangible assets	(34)	(81)	(977)	(2,292)
Decrease (increase) in refundable deposits	74	(66,311)	2,193	(1,847,422)
Increase in other prepayments	(4,552)	(3,938)	(130,729)	(110,926)
Net cash used in investing activities	(8,366)	(76,487)	(240,191)	(2,134,084)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	2,376	143	68,228	4,036
Repayment of the principal portion of lease liabilities	(1,931)	(2,018)	(55,475)	(56,844)
Purchase of treasury shares	-	(10,038)	-	(281,882)
Treasury shares reissued to employees	34,533	11,052	959,141	310,416
Distribution of cash dividends	(40,752)	(24,455)	(1,147,980)	(733,641)
Cash dividend regain from canceled share-based compensation	52	40	1,517	1,203
Net cash used in financing activities	(5,722)	(25,276)	(174,569)	(756,712)
Effect of exchange rate changes	(257)	(805)	764,932	(194,701)
Net increase (decrease) in cash and cash equivalents	76,284	(13,810)	2,945,316	(570,213)
Cash and cash equivalents at beginning of period	332,433	299,146	9,201,743	8,519,679
Cash and cash equivalents at end of period	408,717	285,336	12,147,059	7,949,466