

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

	USD in Thousands				NTD in Thousands			
	Sequential Quarter		Three Months ended		Sequential Quarter		Three Months ended	
	Mar 31, 2023	Dec 31, 2022	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Dec 31, 2022	Mar 31, 2023	Mar 31, 2022
Revenue	99,990	101,450	99,990	210,723	3,039,712	3,181,446	3,039,712	5,898,143
Cost of goods sold	55,947	56,774	55,947	109,948	1,700,797	1,780,425	1,700,797	3,077,451
Gross profit	44,043	44,676	44,043	100,775	1,338,915	1,401,021	1,338,915	2,820,692
Research & development expenses	19,892	20,074	19,892	21,226	604,717	629,511	604,717	594,124
Sales & marketing expenses	7,198	6,469	7,198	8,214	218,822	202,857	218,822	229,911
General & administrative expenses	4,993	4,114	4,993	6,449	151,797	129,023	151,797	180,508
Expected credit loss	(84)	-	(84)	-	(2,549)	-	(2,549)	-
Total operating expenses	32,167	30,657	32,167	35,889	977,885	961,391	977,885	1,004,543
Operating income	11,876	14,019	11,876	64,886	361,030	439,630	361,030	1,816,149
Non-operating income and (expenses)	1,268	1,800	1,268	(30)	38,560	56,441	38,560	(825)
Income before income taxes	13,144	15,819	13,144	64,856	399,590	496,071	399,590	1,815,324
Income tax expense	1,523	1,335	1,523	5,669	46,299	41,861	46,299	158,689
Net income	11,621	14,484	11,621	59,187	353,291	454,210	353,291	1,656,635
EPS - Basic (In Dollar)	\$0.15	\$0.18	\$0.15	\$0.75	\$4.51	\$5.67	\$4.51	\$20.91
Shares used in computing EPS-Basic (In thousands)	78,373	80,160	78,373	79,212	78,373	80,160	78,373	79,212
EPS - Diluted (In Dollar)	\$0.15	\$0.18	\$0.15	\$0.73	\$4.46	\$5.60	\$4.46	\$20.55
Shares used in computing EPS-Diluted (In thousands)	79,207	81,067	79,207	80,602	79,207	81,067	79,207	80,602

UNAUDITED CONSOLIDATED BALANCE SHEETS As of March 31, 2023 and 2022

	USD in Thousands		NTD in Thousands	
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
Current assets				
Cash & cash equivalents	185,110	340,632	5,636,592	9,752,306
Accounts receivable, net	47,877	56,022	1,457,865	1,603,903
Inventories, net	131,991	93,867	4,019,123	2,687,412
Other current assets	23,515	16,992	716,041	486,468
Total current assets	388,493	507,513	11,829,621	14,530,089
Non-current assets				
Property, plant and equipment, net	16,074	17,800	489,440	509,608
Right-of-use assets	6,018	8,138	183,259	232,999
Intangible assets	103,274	108,218	3,144,691	3,098,289
Deferred income tax assets	11,664	9,653	355,164	276,374
Other non-current assets	147,484	76,667	4,490,886	2,194,962
Total non-current assets	284,514	220,476	8,663,440	6,312,232
Total Assets	673,007	727,989	20,493,061	20,842,321
Current Liabilities				
Accounts payable	19,793	43,215	602,705	1,237,258
Other payables	30,540	40,844	929,938	1,169,376
Current income tax liabilities	9,281	24,445	282,606	699,860
Lease liabilities - current	3,292	3,487	100,249	99,818
Other current liabilities	6,792	10,716	206,792	306,815
Total current liabilities	69,698	122,707	2,122,290	3,513,127
Non-current Liabilities				
Lease liabilities - non-current	2,726	4,652	83,010	133,181
Total non-current liabilities	2,726	4,652	83,010	133,181
Equity				
Ordinary shares	26,738	26,742	811,832	811,956
Capital reserves	136,752	146,220	4,220,434	4,387,899
Retained earnings	508,057	492,747	15,025,235	14,627,390
Other equity	(11,301)	(20,527)	73,644	(1,393,138)
Treasury shares	(59,663)	(44,552)	(1,843,384)	(1,238,094)
Total equity	600,583	600,630	18,287,761	17,196,013
Total liabilities and equity	673,007	727,989	20,493,061	20,842,321

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS For three months ended March 31, 2023 and 2022

	USD in Thousands		NTD in Thousands	
	Mar 31, 2023	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
Cash flows from operating activities				
Income before income tax for the period	13,144	64,856	399,590	1,815,324
Depreciation and amortization (including the right-of-use assets)	5,319	5,356	161,703	149,898
Expected credit loss	84	-	2,549	-
Loss on disposal of equipment	-	1	-	33
Loss on disposal of intangible assets	47	-	1,422	-
Share-based compensation cost	9,653	9,097	291,744	254,632
Interest income	(1,525)	(25)	(46,376)	(692)
Income and expenses having no effect on cash flows	13,578	14,429	411,042	403,871
Accounts receivable	(13,254)	(5,639)	(403,575)	(161,444)
Inventories	13,502	(18,088)	411,136	(517,868)
Other current assets	(11,653)	(10,577)	(285,910)	(298,996)
Net changes in assets relating to operating activities	(11,405)	(34,304)	(278,349)	(978,308)
Accounts payable	6,791	2,369	206,778	67,838
Other payables	(10,023)	(8,695)	(305,192)	(248,956)
Other current liabilities	(6,683)	673	(203,487)	19,264
Net changes in liabilities relating to operating activities	(9,915)	(5,653)	(301,901)	(161,854)
Cash inflow generated from operations	5,402	39,328	230,382	1,079,033
Interest received	1,526	25	46,376	692
Income taxes paid	(5,021)	(333)	(152,638)	(9,311)
Net cash provided by operating activities	1,907	39,020	124,120	1,070,414
Cash flows from investing activities				
Acquisition of equipment	(1,766)	(1,840)	(53,688)	(51,490)
Acquisition of intangible assets	(134)	(7)	(4,068)	(194)
Decrease in refundable deposits	6,784	24	206,557	693
Increase in other prepayments	(2,070)	(2,238)	(62,929)	(62,653)
Net cash flows provided by (used in) investing activities	2,814	(4,061)	85,872	(113,644)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	-	2,372	-	66,397
Repayment of the principal portion of lease liabilities	(771)	(791)	(23,431)	(22,149)
Treasury shares reissued to employees	10,422	11,789	310,226	327,175
Distribution of cash dividends	(60,062)	(40,752)	(1,724,498)	(1,147,980)
Cash dividend regain from canceled share-based compensation	19	16	555	479
Net cash flows used in financing activities	(50,392)	(27,366)	(1,437,148)	(776,078)
Effect of exchange rate changes	3,644	606	(111,636)	369,871
Net (decrease) increase in cash and cash equivalents	(42,027)	8,199	(1,338,792)	550,563
Cash and cash equivalents at beginning of period	227,137	332,433	6,975,384	9,201,743
Cash and cash equivalents at end of period	185,110	340,632	5,636,592	9,752,306