

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.

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, 2023	Mar 31, 2023	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Mar 31, 2023	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Revenue	104,178	99,990	104,178	216,699	204,168	427,422	3,199,298	3,039,712	3,199,298	6,383,951	6,239,010	12,282,094
Cost of goods sold	58,380	55,947	58,380	114,340	114,327	224,288	1,792,845	1,700,797	1,792,845	3,368,457	3,493,642	6,445,908
Gross profit	45,798	44,043	45,798	102,359	89,841	203,134	1,406,453	1,338,915	1,406,453	3,015,494	2,745,368	5,836,186
Research & development expenses	20,293	19,892	20,293	21,483	40,185	42,709	623,198	604,717	623,198	632,873	1,227,915	1,226,997
Sales & marketing expenses	7,188	7,198	7,188	7,907	14,386	16,121	220,732	218,822	220,732	232,925	439,554	462,836
General & administrative expenses	4,888	4,993	4,888	6,549	9,881	12,998	150,109	151,797	150,109	192,942	301,906	373,450
Expected credit loss	-	84	-	-	84	-	-	2,549	-	-	2,549	-
Total operating expenses	32,369	32,167	32,369	35,939	64,536	71,828	994,039	977,885	994,039	1,058,740	1,971,924	2,063,283
Operating income	13,429	11,876	13,429	66,420	25,305	131,306	412,414	361,030	412,414	1,956,754	773,444	3,772,903
Non-operating income and (expenses)	2,055	1,268	2,055	566	3,323	536	63,081	38,560	63,081	16,662	101,641	15,837
Income before income taxes	15,484	13,144	15,484	66,986	28,628	131,842	475,495	399,590	475,495	1,973,416	875,085	3,788,740
Income tax expense	1,505	1,523	1,505	6,049	3,028	11,718	46,226	46,299	46,226	178,193	92,525	336,882
Net income	13,979	11,621	13,979	60,937	25,600	120,124	429,269	353,291	429,269	1,795,223	782,560	3,451,858
EPS - Basic (In Dollar)	\$0.18	\$0.15	\$0.18	\$0.76	\$0.33	\$1.51	\$5.44	\$4.51	\$5.44	\$22.51	\$9.94	\$43.42
Shares used in computing EPS-Basic (In thousands)	78,947	78,373	78,947	79,766	78,692	79,496	78,947	78,373	78,947	79,766	78,692	79,496
EPS - Diluted (In Dollar)	\$0.18	\$0.15	\$0.18	\$0.75	\$0.32	\$1.48	\$5.40	\$4.46	\$5.40	\$22.18	\$9.85	\$42.67
Shares used in computing EPS-Diluted (In thousands)	79,545	79,207	79,545	80,951	79,413	80,905	79,545	79,207	79,545	80,951	79,413	80,905

CONSOLIDATED BALANCE SHEETS

As of June 30, 2023 and 2022

	USD in Thousands		NTD in Thousands	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Current assets				
Cash & cash equivalents	225,120	408,717	7,010,227	12,147,059
Accounts receivable, net	54,721	71,597	1,704,022	2,127,869
Inventories, net	114,368	107,911	3,561,433	3,207,122
Other current assets	32,666	25,492	1,017,219	757,629
Total current assets	426,875	613,717	13,292,901	18,239,679
Non-current assets				
Property, plant and equipment, net	14,970	17,920	466,159	532,593
Right-of-use assets	5,083	6,759	158,295	200,863
Intangible assets	101,772	106,129	3,169,177	3,154,145
Deferred income tax assets	11,143	10,232	346,988	304,090
Other non-current assets	150,473	78,140	4,685,730	2,322,312
Total non-current assets	283,441	219,180	8,826,349	6,514,003
Total Assets	710,316	832,897	22,119,250	24,753,682
Current Liabilities				
Accounts payable	29,194	56,079	909,092	1,666,672
Other payables	54,820	100,695	1,687,909	2,892,562
Current income tax liabilities	9,528	30,317	296,692	901,030
Lease liabilities - current	2,960	3,037	92,194	90,253
Other current liabilities	6,490	13,823	202,110	410,818
Total current liabilities	102,992	203,951	3,187,997	5,961,335
Non-current Liabilities				
Lease liabilities - non-current	2,123	3,722	66,101	110,610
Total non-current liabilities	2,123	3,722	66,101	110,610
Equity				
Ordinary shares	26,735	26,740	811,747	811,895
Capital reserves	134,946	138,074	4,212,672	4,188,380
Retained earnings	498,502	500,731	14,740,781	14,948,952
Other equity	(10,321)	(18,513)	493,401	(661,362)
Treasury shares	(44,661)	(21,808)	(1,393,449)	(606,128)
Total equity	605,201	625,224	18,865,152	18,681,737
Total liabilities and equity	710,316	832,897	22,119,250	24,753,682

CONSOLIDATED STATEMENTS OF CASH FLOWS

For six months ended June 30, 2023 and 2022

	USD in Thousands		NTD in Thousands	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Cash flows from operating activities				
Income before income tax for the period	28,628	131,842	875,085	3,788,740
Depreciation and amortization (including the right-of-use assets)	11,132	11,081	340,100	318,238
Expected credit loss	84	-	2,549	-
Loss on disposal of equipment	-	1	-	34
Loss on disposal of intangible assets	125	-	3,814	-
Share-based compensation cost	17,735	16,451	537,517	479,230
Interest income	(2,925)	(158)	(89,352)	(4,627)
Income and expenses having no effect on cash flows	26,151	27,375	794,628	792,875
Accounts receivable	(20,098)	(21,214)	(625,845)	(630,493)
Inventories	31,124	(32,133)	969,215	(954,979)
Other current assets	(27,673)	(31,800)	(737,173)	(893,882)
Net changes in assets relating to operating activities	(16,647)	(85,147)	(393,803)	(2,479,354)
Accounts payable	16,191	15,233	504,193	452,730
Other payables	(9,303)	(1,814)	(289,726)	(53,915)
Other current liabilities	(6,983)	3,779	(217,466)	112,320
Net changes in liabilities relating to operating activities	(95)	17,198	(2,999)	511,135
Cash inflow generated from operations	38,037	91,268	1,272,911	2,613,396
Interest received	2,925	158	89,352	4,627
Income taxes paid	(6,247)	(816)	(190,854)	(23,433)
Income taxes received	-	19	-	554
Net cash provided by operating activities	34,715	90,629	1,171,409	2,595,144
Cash flows from investing activities				
Acquisition of equipment	(2,812)	(3,854)	(85,894)	(110,678)
Acquisition of intangible assets	(170)	(34)	(5,181)	(977)
Decrease in refundable deposits	6,821	74	212,389	2,193
Increase in other prepayments	(6,505)	(4,552)	(198,738)	(130,729)
Net cash flows used in investing activities	(2,666)	(8,366)	(77,424)	(240,191)
Cash flows from financing activities				
Proceeds from exercise of employee stock options	-	2,376	-	68,228
Repayment of the principal portion of lease liabilities	(1,786)	(1,931)	(54,554)	(55,475)
Treasury shares reissued to employees	25,424	34,533	760,161	959,141
Distribution of cash dividends	(60,062)	(40,752)	(1,724,498)	(1,147,980)
Cash dividend regain from canceled share-based compensation	73	52	2,184	1,517
Net cash flows used in financing activities	(36,351)	(5,722)	(1,016,707)	(174,569)
Effect of exchange rate changes	2,285	(257)	(42,435)	764,932
Net (decrease) increase in cash and cash equivalents	(2,017)	76,284	34,843	2,945,316
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	225,120	408,717	7,010,227	12,147,059